

ORIGINAL



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January 17, 2006

**HAND DELIVERY**

Linda Jaress, Executive Consultant  
Arizona Corporation Commission  
Utilities Division  
1200 W. Washington  
Phoenix, AZ 85007

Re: Willow Springs Utilities LLC; Application for a Certificate of Convenience and Necessity; Docket No. WS-20432A-05-0874; Insufficiency Response

Dear Linda:

Please find attached to the Company's responses to the deficiency items cited in your January 4, 2006 Insufficiency Letter.

Item I.1 The number of customers and proposed water use, by class, for the first five years are set forth in 2a of Attachment 3 to TAB A to the Application. (Please see Item I.2 Response). Phase I of the Willow Springs development is proposed to occur within the first five years. The water infrastructure proposed to serve Phase I will be adequate for all development that occurs within the first five years.

Item I.2 The Company submitted Summary Schedules in Attachment 3 to TAB A to the Application. Enclosed herewith is a Revised Attachment 3 containing those Summary Schedules, as well as the Supporting Schedules. Please note that the Lennar Financial Statements and Mr. Kozoman's testimony contained in Attachment 3 have not been revised. The growth projections are contained on Schedule 2a, Page 2.

Item I.3 Attached is the most recent water quality information for an on-site pilot well. Willow Springs is presently in the process of permitting the drillings of Well No. 1 and 2. Drilling on Well No. 1 is expected to be complete by May 2006. Upon completion of Well No. 1, a new source test will be conducted and the water quality results from this test will be forwarded to all regulatory agencies for review and approval.

Item I.4 This Schedule was submitted with the original Application as TAB A, Attachment 3, Schedule CW-2. Without any changes to the data, it is now enclosed herewith as Revised Attachment 3, Schedule CW-2.

Item I.5        The parcels are presently interconnected by service roads crossing Arizona State Land Department property. The Company anticipates entering into Right-of-Way/Easement Agreements with the Land Department which will permit installation of the subject utility facilities. However, because agreements may not be consummated prior to the hearing in this matter they should be Conditions of the Certificate Decision to be filed within 365 days of the Decision.

Item II.1        Please see the attached drawings.

Item II.2        Table 2 on Page 10 of the Wastewater and Reclaimed Master Plan (TAB D to the Application) represents the cumulative flow at individual concentration points located on Figure 1 within that report. The ADWF's indicated in that table are not cumulative. The table represents the total flow at certain points within the gravity system for gravity main sizing purposes only. The Average Daily Flow used to size the treatment plant can be determined using the equation on Page 10.

The buildout population for single and multi-family homes is expected to be 15,538 people based on the number of units and design criteria stated on Page 9. Using the design criteria and equation on Page 10, the approximate ADF used to size the wastewater treatment plant at buildout is equal to 1.5 MGD.

Item II.3        The Company has retained its consultant WestLand Resources, Inc. (WestLand) to assist with the wastewater permitting requirements for the proposed wastewater treatment plant (WWTP). Pinal County's Assistant County Manager has provided the Central Arizona Association of Governments (CAAG) with a jurisdictional sponsorship letter on January 4, 2006 base on the initial review of the draft 208 Plan Amendment for Willow Springs. CAAG and the Arizona Department of Environmental Quality (ADEQ) have initiated their review process for the 208 Plan Amendment and final draft revisions will be completed by January 23, 2006. A public hearing for the subject plan has been scheduled by CAAG for March 2, 2006.

A vendor should be under contract by the end of January 2006 for the design of the proposed WWTP. Upon vendor selection, a pre-application meeting with ADEQ will be scheduled to discuss the Aquifer Protection Permit (APP), Arizona Pollution Discharge and Elimination System (AZPDES) permit, and the Reclaimed Water Reuse permit. Current timeline estimates include the submittal of the APP and AZPDES applications by June 2006. The Reclaimed Water Reuse permit cannot be submitted to ADEQ until the APP is approved. The Reclaimed Water Reuse permit application will be completed and ready for submittal to ADEQ immediately following APP approval.

Item II.4 This Schedule was submitted in the original Application as TAB A, Attachment 3, Schedule CW-3. It was mistakenly mislabeled in that filing, although the data was correct. It is now included as Revised Attachment 3, Schedule CS-3.

Item II.5 The definition of "fresh" water, as used by Mr. Kozoman, is potable groundwater

Item II.6 This Tariff provision was included in the original Application, in the Engineering Division's prescribed format, at TAB E, Sheets 11 through 13. Copies of those Sheets are attached hereto for your convenience.

In the event you have any questions regarding these matters, please do not hesitate to call.

Sincerely,



Richard L. Sallquist

Enclosures

cc: Docket Control (15 copies)  
Del Smith  
Lyn Farmer  
Brian Bozzo  
Elena Zestrijan  
Alex Agentia  
Kevin Tarbox  
Mark Taylor  
Ron Kozoman

**FINANCIAL STATEMENTS AND  
SUPPORTING DOCUMENTS  
WATER AND SEWER DIVISIONS**

**REVISED SCHEDULES TO ATTACHMENT 3 TO TAB A  
January 16, 2006  
Items I.2 and II.4**

**Willow Springs Water Company  
Index of Schedules**

<u>ACC Forms</u>	<u>Number of Page</u>	<u>Page Number</u>	
	2 Pages	1 & 2	Balance Sheet, Attachment C
	1 Page	Unnumbered	Income Statement, Attachment CW-2
	5 Pages	1 thru 5	Plant Cost, Attachment CW-3
	2 Pages	Unnumbered	Tariff Attachment D

<u>Schedules for Staff</u>	<u>Page(s)</u>		
1	1	1	Balance Sheet
1.1	Summary	1.1	Summary of Plant Additions by Year
1a	5 Pages	1 thru 5	Plant and Depreciation, 5 Pages
1b	1 Page	1	Financing of Plant & Operating Losses
1c	1 Page	1	Advances and Refunds
1d	1 Page	1	Meter Deposits and Refunds (If Applicable)
1e	1 Page	1	Contributions in Aid of Construction (Not Used)
2	1 Page	1	Income Statement
2a	1 Page	1	Projected Revenues all customers
2a	1 Page	2	Customer Counts all customers
2a	1 Page	3	Gallons Treated or Sold, all customers
2a	1 Page	4	Projected Revenues, customers, gallons for 5/8 Inch residential class
2a	1 Page	5	Projected Revenues, customers, gallons for School
2a	1 Page	6	Projected Revenues, customers, gallons 5/8 Inch commercial class
2a	1 Page	7	Projected Revenues, customers, gallons 1 Inch commercial class
2a	1 Page	8	Projected Revenues, customers, gallons 2 Inch commercial class
2a	1 Page	9	Effluent, (If Applicable)
2b	1 Page	1	Property Taxes
3	1 Page	1	Projected Cash Flow
4	2 Pages	1 & 2	Proposed Rates
5	1 Page	1	Service Charges

## ATTACHMENT C

Page 1

PROFORMA BALANCE SHEET (WATER)**Willow Springs Water Company**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash	\$ 36,236	\$ 160,411	\$ 256,674	\$ 441,240	\$ 705,222
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	<u>\$ 36,236</u>	<u>\$ 160,411</u>	<u>\$ 256,674</u>	<u>\$ 441,240</u>	<u>\$ 705,222</u>
<u>Fixed Assets</u>					
Utility Plant	\$ 6,022,050	\$ 6,820,750	\$ 7,971,250	\$ 9,153,250	\$ 10,380,250
(Less) Accumulated Depreciation	<u>(76,660)</u>	<u>(286,818)</u>	<u>(520,617)</u>	<u>(782,494)</u>	<u>(1,073,215)</u>
Net Plant in Service	\$ 5,945,390	\$ 6,533,932	\$ 7,450,633	\$ 8,370,756	\$ 9,307,035
Total Assets	<u>\$ 5,981,626</u>	<u>\$ 6,694,343</u>	<u>\$ 7,707,307</u>	<u>\$ 8,811,996</u>	<u>\$ 10,012,257</u>
<b>LIABILITIES AND CAPITAL</b>					
<u>Current and Accrued Liabilities</u>					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current and Accrued Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

ATTACHMENT C

PROFORMA BALANCE SHEET (WATER)

Page 2

**Willow Springs Water Company**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<u>Long-Term Debt</u>	0	0	0	0	0
<u>Deferred Credits</u>					
Advances in Aid of Construction	\$ 115,800	\$ 1,045,673	\$ 2,175,842	\$ 3,301,788	\$ 4,428,216
Contribution in Aid of Construction, Net of Amortization					
Accumulated Deferred Income Tax	-	-	-	-	-
Total Deferred Credits	\$ 115,800	\$ 1,045,673	\$ 2,175,842	\$ 3,301,788	\$ 4,428,216
<u>CAPITAL ACCOUNT</u>					
Common Stock	6,006,250	6,006,250	6,006,250	6,006,250	6,006,250
Preferred	0	0	0	0	0
Paid in Capital	0	0	0	0	0
Retained Earnings	(140,424)	(357,580)	(474,785)	(496,042)	(422,209)
Total Capital	\$ 5,865,826	\$ 5,648,670	\$ 5,531,465	\$ 5,510,208	\$ 5,584,041
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 5,981,626</b>	<b>\$ 6,694,343</b>	<b>\$ 7,707,307</b>	<b>\$ 8,811,996</b>	<b>\$ 10,012,257</b>

PROFORMA INCOME STATEMENT (WATER)**Willow Springs Water Company**

	<u>YR. ONE</u>	<u>YR. TWO</u>	<u>YR. THREE</u>	<u>YR. FOUR</u>	<u>YR. FIVE</u>
REVENUE:					
Water Sales	\$ 136,299	\$ 257,709	\$ 486,806	\$ 719,637	\$ 955,676
Establishment Charges	-	-	-	-	-
Other Operating Revenue					
Total Operating Revenue	\$ 136,299	\$ 257,709	\$ 486,806	\$ 719,637	\$ 955,676
OPERATING EXPENSES					
Salaries and Wages	\$ 68,500	\$ 70,555	\$ 72,672	\$ 74,852	\$ 77,097
Purchased Water					
Power Costs	37,470	41,200	48,562	56,089	65,486
Water Testing and Chemicals	6,255	11,300	16,430	21,630	26,930
Repairs and Maintenance	2,000	6,000	9,000	12,000	15,000
Office Supplies Expense	8,900	47,780	115,208	183,026	251,156
Outside Services	50,900	59,600	74,901	90,304	105,793
Rents	3,000	3,090	3,183	3,278	3,377
Transportation Expense	2,500	2,575	2,652	2,732	2,814
Taxes Other than Property and Income					
Depreciation	76,660	210,158	233,799	261,877	290,721
Health and Life Insurance					
Income Taxes	50	50	50	50	50
Property Tax	7,463	9,823	16,593	27,134	39,433
Miscellaneous Operating	13,400	13,652	13,912	14,179	14,454
Total Operating Expense	\$ 277,098	\$ 475,783	\$ 606,961	\$ 747,151	\$ 892,311
OPERATING INCOME OR (LOSS)	\$ (140,799)	\$ (218,074)	\$ (120,155)	\$ (27,514)	\$ 63,364
OTHER INCOME / EXPENSE					
Interest Income	375	919	2,950	6,256	10,469
Other Income					
Other Expenses					
Interest Expense					
TOTAL OTHER INCOME / EXPENSE	375	919	2,950	6,256	10,469
NET INCOME (LOSS)	\$ (140,424)	\$ (217,156)	\$ (117,205)	\$ (21,257)	\$ 73,833

CW-3  
PROFORMA UTILITY PLANT IN SERVICE (WATER)  
FIRST YEAR  
**Willow Springs Water Company**

Page 1

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	25,391	1,499,609
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	31,250	468,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	15,609	1,390,641
Transmission and Distribution	91,800	918	90,882
Transmission and Distribution (AIAC)	2,425,000	455	2,424,545
Services	18,500	308	18,192
Meters and Meter Installations	5,500	229	5,271
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 6,022,050</b>	<b>\$ 76,660</b>	<b>\$ 5,945,390</b>

CW-3  
PROFORMA UTILITY PLANT IN SERVICE (WATER)  
SECOND YEAR  
**Willow Springs Water Company**

Page 2

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	76,174	1,448,826
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	93,750	406,250
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	46,828	1,359,422
Transmission and Distribution	828,000	10,116	817,884
Transmission and Distribution (AIAC)	2,425,000	48,955	2,376,045
Services	37,000	976	36,024
Meters and Meter Installations	49,500	2,520	46,980
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	7,500	17,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<u><u>\$ 6,820,750</u></u>	<u><u>\$ 286,818</u></u>	<u><u>\$ 6,533,932</u></u>

CW-3  
PROFORMA UTILITY PLANT IN SERVICE (WATER)  
THIRD YEAR  
**Willow Springs Water Company**

Page 3

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	126,956	1,398,044
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	156,250	343,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	78,047	1,328,203
Transmission and Distribution	1,786,500	36,261	1,750,239
Transmission and Distribution (AIAC)	2,425,000	97,455	2,327,545
Services	185,000	4,672	180,328
Meters and Meter Installations	93,500	8,476	85,024
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	12,500	12,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<u><u>\$ 7,971,250</u></u>	<u><u>\$ 520,617</u></u>	<u><u>\$ 7,450,633</u></u>

CW-3  
PROFORMA UTILITY PLANT IN SERVICE (WATER)  
FOURTH YEAR  
**Willow Springs Water Company**

Page 4

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	177,739	1,347,261
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	218,750	281,250
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	109,266	1,296,984
Transmission and Distribution	2,776,500	81,891	2,694,609
Transmission and Distribution (AIAC)	2,425,000	145,955	2,279,045
Services	333,000	13,297	319,703
Meters and Meter Installations	137,500	18,097	119,403
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	17,500	7,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b>\$ 9,153,250</b>	<b>\$ 782,494</b>	<b>\$ 8,370,756</b>

CW-3  
PROFORMA UTILITY PLANT IN SERVICE (WATER)  
FIFTH YEAR  
**Willow Springs Water Company**

Page 5

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,525,000	228,521	1,296,479
Infiltration Galleries and Tun	-	-	-
Supply Mains	-	-	-
Power Generation Equipment	-	-	-
Pumping Equipment	500,000	281,250	218,750
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	1,406,250	140,484	1,265,766
Transmission and Distribution	3,811,500	147,771	3,663,729
Transmission and Distribution (AIAC)	2,425,000	194,455	2,230,545
Services	481,000	26,850	454,150
Meters and Meter Installations	181,500	31,383	150,117
Hydrants	-	-	-
Hydrants (AIAC)	-	-	-
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	25,000	22,500	2,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
<b>TOTAL PLANT IN SERVICE</b>	<b><u>\$ 10,380,250</u></b>	<b><u>\$ 1,073,215</u></b>	<b><u>\$ 9,307,035</u></b>

ATTACHMENT D  
WATER TARIFF SCHEDULE

Page 1

UTILITY: Willow Springs Water Company

RATES AND CHARGES

CUSTOMER / MINIMUM CHARGE  
PER MONTH

<u>METER</u>	<u>CHARGE</u>	<u>METER</u>	<u>CHARGE</u>
5/8 x 3/4	\$ 28.00	5/8 x 3/4	\$ 480.00
3/4	\$ 28.00	3/4	\$ 560.00
1	\$ 70.00	1	\$ 650.00
1 1/2	\$ 140.00	1 1/2	\$ 895.00
2	\$ 224.00	2	\$ 2,280.00
3	\$ 448.00	3	\$ 3,070.00
4	\$ 700.00	4	\$ 4,395.00
6	\$ 1,400.00	6	\$ 7,970.00
8	\$ 2,240.00	8	Cost
10	\$ 3,220.00	10	Cost
12	\$ 6,020.00	12	Cost

COMMODITY CHARGE (EXCESS OF MINIMUM):

**COMMODITY RATES / ALL METERS  
BELOW 3" SIZE**

Usage From	Usage To	
-	4,000	\$ 2.50
<b>4,001</b>	<u>9,000</u>	\$ 3.50
9,001	Infinity	\$ 4.50
-	-	
Usage From	Usage To	
-	10,000	\$ 2.50
10,001	22,500	\$ 3.50
22,501	Infinity	\$ 4.50
-	-	
Usage From	Usage To	
-	20,000	\$ 2.50
<b>20,001</b>	45,000	\$ 3.50
45,001	Infinity	\$ 4.50
-	-	
Usage From	Usage To	
-	32,000	\$ 2.50
32,001	72,000	\$ 3.50
72,001	Infinity	\$ 4.50

**COMMODITY RATES / SCHOOL**

Usage From	Usage To	
-	100,000	\$ 2.50
<b>100,001</b>	500,000	\$ 3.50
<b>500,001</b>	Infinity	\$ 4.50

UTILITY: Willow Springs Water Company

# RATES AND CHARGES

## COMMODITY CHARGE (EXCESS OF MINIMUM):

Usage From	Usage To	3 Inch Meters	
-	7,000		\$ 2.50
7,001	144,000		\$ 3.50
<b>144,001</b>	Infinity		\$ 4.50

Usage From	Usage To	4 Inch Meters	
-	7,000		\$ 2.50
7,001	225,000		\$ 3.50
225,001	Infinity		\$ 4.50

Usage From	Usage To	6 Inch Meters	
-	7,000		\$ 2.50
7,001	450,000		\$ 3.50
<b>450,001</b>	Infinity		\$ 4.50

Larger Meters have higher breakover points, but the same Rates

Irrigation Water Sales to Sewer Utility (No other customer qualifies for this tariff) \$ 1.50

Construction Water \$ 3.00

## SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1) \$ 30.00
2. ESTABLISHMENT / AFTER HOUR: \$ 50.00
3. RECONNECTION / DELINQUENT ( \$ 50.00
4. NSF CHECK (R14-2-409.F.1) \$ 30.00
5. METER REREAD / IF CORRECT (F \$ 30.00
6. METER TEST / IF CORRECT (R14- \$ 30.00
7. DEFERRED PAYMENT (R14-2-409 1.50% Per Month
8. DEPOSIT INTEREST (R14-2-408.B.3)
9. DEPOSIT (R14-2-403.B.7) per rule
10. REESTABLISHMENT WITHIN 12 M (a)
11. LATE PAYMENT PENALTY (R14-2 1.50% Per Month
12. All Revenue related taxes will be charged customers.

Main Extension and additional facili @ COST (b)

## RULES AND REGULATIONS

\* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

Willow Springs Water Company  
Projected Balance Sheets  
For the Years Ended

Exhibit  
Schedule 1  
Page 1  
Witness: Kozoman

Line No.	Beginning of Year	Label	1st year Changes	Year 1	Year 2	Year 3	Year 4	Year 5
3		<b>Assets</b>						
4		Utility Plant	6,022,050	6,022,050	6,820,750	7,971,250	9,153,250	10,380,250
5		Accumulated Depreciation	(76,660)	(76,660)	(286,818)	(520,617)	(782,494)	(1,073,215)
7		Cash	11,236	36,236	160,411	256,674	441,240	705,222
10		<b>Total Assets</b>						
11	\$ 25,000		\$ 5,956,626	\$ 5,981,626	\$ 6,694,343	\$ 7,707,307	\$ 8,811,996	\$ 10,012,257
12		<b>Equity and Liabilities</b>						
13		<b>Equity</b>						
14		Common Stock	25,000	5,981,250	6,006,250	6,006,250	6,006,250	6,006,250
15		Retained Earnings		(140,424)	(357,580)	(474,785)	(496,042)	(422,209)
16		<b>Total Equity</b>	\$ 25,000	\$ 5,840,826	\$ 5,648,670	\$ 5,531,465	\$ 5,510,208	\$ 5,584,041
17		<b>Liabilities &amp; Deferred Credits</b>						
18		Advances in Aid of Construction		91,800	827,273	1,778,042	2,747,016	3,734,232
19		Contributions in Aid of Construction		-	-	-	-	-
20		Construction		-	-	-	-	-
21		Less: Amortization		-	-	-	-	-
22		Customer Deposits		24,000	218,400	397,800	554,772	693,984
23		Meter Deposits		-	-	-	-	-
24		Long-Term Debt		-	-	-	-	-
25		<b>Total Liabilities and Deferred Credits</b>		115,800	1,045,673	2,175,842	3,301,788	4,428,216
26		<b>Total Equity &amp; Liab.</b>	\$ 25,000	\$ 5,956,626	\$ 6,694,343	\$ 7,707,307	\$ 8,811,996	\$ 10,012,257
27		(a) Plant Additions (See Schedules 1.1 and 1a)						
28		(b) Depreciation Computations (See Schedule 1a)						
29		(c) Change in cash (Please Schedule 3)						
30		(d) Common Stock issuance and or repurchase. (See Schedule 1b)						
31		(e) Profit or loss from operations (See Schedule 2)						
32		(f) Advances in Aid of Construction (See Schedule 1c)						
33		(g) Contributions in Aid of Construction (See Schedule 1e)						
34		(h) Amortization of Contributions in Aid of Construction, if applicable (See Schedule 1e)						
35		(i) Security deposits (2 times average bill)						

**Willow Springs Water Company**  
Plant Additions List by Year  
Plant Addition Summary Page

Exhibit  
Schedule 1.1  
Summary Page  
Witness: Kozoman

Line No.		Year 1	Year 2	Year 3	Year 4	Year 5	Totals
1	301 Organization	25,000	-	-	-	-	25,000
2	302 Franchises	-	-	-	-	-	-
3	303 Land and Land Rights	-	-	-	-	-	-
4	304 Structures and Improvements	-	-	-	-	-	-
5	305 Collecting and Impounding Rese	-	-	-	-	-	-
6	306 Lake, River and Other Intakes	-	-	-	-	-	-
7	307 Wells and Springs	1,525,000	-	-	-	-	1,525,000
8	308 Infiltration Galleries and Tun	-	-	-	-	-	-
9	309 Supply Mains	-	-	-	-	-	-
10	310 Power Generation Equipment	-	-	-	-	-	-
11	311 Pumping Equipment	500,000	-	-	-	-	500,000
12	320 Water Treatment Equipment	-	-	-	-	-	-
13	330 Distribution Reservoirs and St	1,406,250	-	-	-	-	1,406,250
14	331 Transmission and Distribution (AIAC)	91,800	736,200	958,500	990,000	1,035,000	3,811,500
15	331 Transmission and Distribution	1,940,000	-	-	-	-	1,940,000
16	333 Services	18,500	18,500	148,000	148,000	148,000	481,000
17	334 Meters and Meter Installations	5,500	44,000	44,000	44,000	44,000	181,500
18	335 Hydrants	-	-	-	-	-	-
19	335 Hydrants (AIAC)	-	-	-	-	-	-
20	336 Backflow Prevention Devices	-	-	-	-	-	-
21	339 Other Plant and Miscellaneous	-	-	-	-	-	-
22	340 Office Furniture and Equipment	-	-	-	-	-	-
23	341 Transportation Equipment	25,000	-	-	-	-	25,000
24	342 Stores Equipment	-	-	-	-	-	-
25	343 Tools, Shop and Garage Equipme	-	-	-	-	-	-
26	344 Laboratory Equipment	-	-	-	-	-	-
27	345 Power Operated Equipment	-	-	-	-	-	-
28	346 Communication Equipment	-	-	-	-	-	-
29	347 Miscellaneous Equipment	-	-	-	-	-	-
30	348 Other Tangible Plant	-	-	-	-	-	-
31	Other Tangible Plant	-	-	-	-	-	-
32	Totals	5,537,050	798,700	1,150,500	1,182,000	1,227,000	9,895,250

33  
34  
35

With Treatment Plant Depreciation computed on Percent of Capacity												Year	Witness:	
												1	Kozoman	
Line	No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance		
3	4	5	301		0.00%	25,000		25,000	25,000	-	25,000	-		
5	6	7	302		0.00%			-	-	-	-	-		
7	8	9	303		0.00%			-	-	-	-	-		
9	10	11	304		3.33%			-	-	-	-	-		
11	12	13	305		2.50%			-	-	-	-	-		
13	14	15	306		2.50%			-	-	-	-	-		
15	16	17	307		3.33%	1,220,000	305,000	1,525,000	1,525,000	25,391	1,525,000	25,391		
17	18	19	308		6.67%			-	-	-	-	-		
19	20	21	309		2.00%			-	-	-	-	-		
21	22	23	310		5.00%			-	-	-	-	-		
23	24	25	311		12.50%	400,000	100,000	500,000	500,000	31,250	500,000	31,250		
25	26	27	312		3.33%			-	-	-	-	-		
27	28	29	313		2.22%	1,125,000	281,250	1,406,250	1,406,250	15,609	1,406,250	15,609		
29	30	31	314		2.00%	91,800		91,800	91,800	918	91,800	918		
31	32	33	315		2.00%	1,940,000	485,000	2,425,000	2,425,000	455	2,425,000	455		
33	34	35	316		3.33%	18,500		18,500	18,500	308	18,500	308		
35	36	37	317		8.33%	5,500		5,500	5,500	229	5,500	229		
37	38	39	318	100%	2.00%			-	-	-	-	-		
39	40	41	319	0%	2.00%			-	-	-	-	-		
41	42	43	320		6.67%			-	-	-	-	-		
43	44	45	321		6.67%			-	-	-	-	-		
45	46	47	322		6.67%			-	-	-	-	-		
47	48	49	323		6.67%			-	-	-	-	-		
49	50	51	324		20.00%	25,000		25,000	25,000	2,500	25,000	2,500		
51	52	53	325		4.00%			-	-	-	-	-		
53	54	55	326		5.00%			-	-	-	-	-		
55	56	57	327		10.00%			-	-	-	-	-		
57	58	59	328		5.00%			-	-	-	-	-		
59	60	61	329		10.00%			-	-	-	-	-		
61	62	63	330		10.00%			-	-	-	-	-		
63	64	65	331		10.00%			-	-	-	-	-		
65	66	67	332		10.00%			-	-	-	-	-		
67	68	69	333		10.00%			-	-	-	-	-		
69	70	71	334		10.00%			-	-	-	-	-		
71	72	73	335		10.00%			-	-	-	-	-		
73	74	75	336		10.00%			-	-	-	-	-		
75	76	77	337		10.00%			-	-	-	-	-		
77	78	79	338		10.00%			-	-	-	-	-		
79	80	81	339		10.00%			-	-	-	-	-		
81	82	83	340		10.00%			-	-	-	-	-		
83	84	85	341		10.00%			-	-	-	-	-		
85	86	87	342		10.00%			-	-	-	-	-		
87	88	89	343		10.00%			-	-	-	-	-		
89	90	91	344		10.00%			-	-	-	-	-		
91	92	93	345		10.00%			-	-	-	-	-		
93	94	95	346		10.00%			-	-	-	-	-		
95	96	97	347		10.00%			-	-	-	-	-		
97	98	99	348		10.00%			-	-	-	-	-		
99	100	101	349		10.00%			-	-	-	-	-		
101	102	103	350		10.00%			-	-	-	-	-		
103	104	105	351		10.00%			-	-	-	-	-		
105	106	107	352		10.00%			-	-	-	-	-		
107	108	109	353		10.00%			-	-	-	-	-		
109	110	111	354		10.00%			-	-	-	-	-		
111	112	113	355		10.00%			-	-	-	-	-		
113	114	115	356		10.00%			-	-	-	-	-		
115	116	117	357		10.00%			-	-	-	-	-		
117	118	119	358		10.00%			-	-	-	-	-		
119	120	121	359		10.00%			-	-	-	-	-		
121	122	123	360		10.00%			-	-	-	-	-		
123	124	125	361		10.00%			-	-	-	-	-		
125	126	127	362		10.00%			-	-	-	-	-		
127	128	129	363		10.00%			-	-	-	-	-		
129	130	131	364		10.00%			-	-	-	-	-		
131	132	133	365		10.00%			-	-	-	-	-		
133	134	135	366		10.00%			-	-	-	-	-		
135	136	137	367		10.00%			-	-	-	-	-		
137	138	139	368		10.00%			-	-	-	-	-		
139	140	141	369		10.00%			-	-	-	-	-		
141	142	143	370		10.00%			-	-	-	-	-		
143	144	145	371		10.00%			-	-	-	-	-		
145	146	147	372		10.00%			-	-	-	-	-		
147	148	149	373		10.00%			-	-	-	-	-		
149	150	151	374		10.00%			-	-	-	-	-		
151	152	153	375		10.00%			-	-	-	-	-		
153	154	155	376		10.00%			-	-	-	-	-		
155	156	157	377		10.00%			-	-	-	-	-		
157	158	159	378		10.00%			-	-	-	-	-		
159	160	161	379		10.00%			-	-	-	-	-		
161	162	163	380		10.00%			-	-	-	-	-		
163	164	165	381		10.00%			-	-	-	-	-		
165	166	167	382		10.00%			-	-	-	-	-		
167	168	169	383		10.00%			-	-	-	-	-		
169	170	171	384		10.00%			-	-	-	-	-		
171	172	173	385		10.00%			-	-	-	-	-		
173	174	175	386		10.00%			-	-	-	-	-		
175	176	177	387		10.00%			-	-	-	-	-		
177	178	179	388		10.00%			-	-	-	-	-		
179	180	181	389		10.00%			-	-	-	-	-		
181	182	183	390		10.00%			-	-	-	-	-		
183	184	185	391		10.00%			-	-	-	-	-		
185	186	187	392		10.00%			-	-	-	-	-		
187	188	189	393		10.00%			-	-	-	-	-		
189	190	191	394		10.00%			-	-	-	-	-		
191	192	193	395		10.00%			-	-	-	-	-		
193	194	195	396		10.00%			-	-	-	-	-		
195	196	197	397		10.00%			-	-	-	-	-		
197	198	199	398		10.00%			-	-	-	-	-		
199	200	201	399		10.00%			-	-	-	-	-		
201	202	203	400		10.00%			-	-	-	-	-		
203	204	205	401		10.00%			-	-	-	-	-		
205	206	207	402		10.00%			-	-	-	-	-		
207	208	209	403		10.00%			-	-	-	-	-		
209	210	211	404		10.00%			-	-	-	-	-		
211	212	213	405		10.00%			-	-	-	-	-		
213	214	215	406		10.00%			-	-	-	-	-		
215	216	217	407		10.00%			-	-	-	-	-		
217	218	219	408		10.00%			-	-	-	-	-		
219	220	221	409		10.00%			-	-	-	-	-		
221	222	223	410		10.00%			-	-	-	-	-		
223	224	225	411		10.00%			-	-	-	-	-		
225	226	227	412		10.00%			-	-	-	-	-		
227	228	229	413		10.00%			-	-	-	-	-		
229	230	231	414		10.00%			-	-	-	-	-		
231	232	233	415		10.00%			-	-	-	-	-		
233	234	235	416		10.00%			-	-	-	-	-		
235	236	237	417		10.00%			-	-	-	-	-		
237	238	239	418		10.00%			-	-	-	-	-		
239	240	241	419		10.00%			-	-	-	-	-		
241	242	243	420		10.00%			-	-	-	-	-		
243	244	245	421		10.00%			-	-	-	-	-		
245	246	247	422		10.00%			-	-	-	-	-		
247	248	249	423		10.00%			-	-	-	-	-		
249	250	251	424		10.00%			-	-	-	-	-		
251	252	253	425		10.00%			-	-	-	-	-		
253	254	255	426		10.00%			-	-	-	-	-		
255	256	257	427		10.00%			-	-	-	-	-		
257	258	259	428		10.00%			-	-	-	-	-		
259	260	261	429		10.00%			-	-	-	-	-		
261	262	263	430		10.00%			-	-	-	-	-		
263	264	265	431		10.00%			-	-	-	-	-		
265	266	267	432		10.00%			-	-	-	-	-		
267														

Willow Springs Water Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 2  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	With Treatment Plant Depreciation computed on Percent of Capacity					Contingencies		Year	
					Estimate	Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance		
1	301	Organization		0.00%						25,000			
2	302	Franchises		0.00%									
3	303	Land and Land Rights		0.00%									
4	304	Structures and Improvements		3.33%									
5	305	Collecting and Impounding Rese		2.50%									
6	306	Lake, River and Other Intakes		2.50%									
7	307	Wells and Springs		3.33%					50,783	1,525,000	76,174		
8	308	Infiltration Galleries and Tun		6.67%									
9	309	Supply Mains		2.00%									
10	310	Power Generation Equipment		5.00%									
11	311	Pumping Equipment		12.50%					62,500	500,000	93,750		
12	312	Water Treatment Equipment		3.33%									
13	313	Distribution Reservoirs and St		2.22%									
14	314	Transmission and Distribution		2.00%	736,200		736,200	736,200	31,219	1,406,250	46,828		
15	315	Services		3.33%	18,500		18,500	18,500	9,198	828,000	10,116		
16	316	Meters and Meter Installations		8.33%	44,000		44,000	44,000	48,500	2,425,000	48,955		
17	317	Hydrants (AIAC)	100%	2.00%					668	37,000	976		
18	318	Backflow Prevention Devices	0%	2.00%					2,291	49,500	2,520		
19	319	Other Plant and Miscellaneous		6.67%									
20	320	Office Furniture and Equipment		6.67%									
21	321	Transportation Equipment		20.00%									
22	322	Stores Equipment		4.00%									
23	323	Tools, Shop and Garage Equipme		5.00%									
24	324	Laboratory Equipment		10.00%									
25	325	Power Operated Equipment		5.00%									
26	326	Communication Equipment		10.00%									
27	327	Miscellaneous Equipment		10.00%									
28	328	Other Tangible Plant		10.00%									
29	329												
30	330												
31	331												
32	332												
33	333												
34	334												
35	335												
36	336												
37	337												
38	338												
39	339												
40	340												
41	341												
42	342												
43	343												
44	344												
45	345												
46	346												
47	347												
48	348												
49	349												
50	350												
51	351												
52	352												
53	353												

Totals	\$ 798,700	\$ -	\$ 798,700	\$ 798,700	\$ 210,158	\$ 6,820,750	\$ 286,818
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Composite Rate with 1/2 yr convention

3.08%

Licenses, Taxes, Permits	\$ -
Engineering and Contingency	\$ -
Total	\$ -

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
460  
2,721  
Customer connections  
0.1691  
Capacity (in customer connections)  
Capacity Factor

Willow Springs Water Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 3  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Contingencies Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance
1	301	Organization		0.00%						25,000	
2	302	Franchises		0.00%							
3	303	Land and Land Rights		0.00%							
4	304	Structures and Improvements		3.33%							
5	305	Collecting and Impounding Rese		2.50%							
6	306	Lake, River and Other Intakes		2.50%							
7	307	Wells and Springs		3.33%					50,783	1,525,000	126,956
8	308	Infiltration Galleries and Tun		6.67%							
9	309	Supply Mains		2.00%							
10	310	Power Generation Equipment		5.00%							
11	311	Pumping Equipment		12.50%					62,500	500,000	156,250
12	312	Water Treatment Equipment		3.33%							
13	313	Distribution Reservoirs and St		2.22%							
14	314	Transmission and Distribution (AIAC)		2.00%	766,800	191,700	958,500	958,500	31,219	1,406,250	78,047
15	315	Services		2.00%					26,145	1,786,500	36,261
16	316	Meters and Meter Installations		3.33%	148,000		148,000	148,000	48,500	2,425,000	97,455
17	317	Hydrants	100%	8.33%	44,000		44,000	44,000	3,696	185,000	4,672
18	318	Hydrants (AIAC)	0%	2.00%					5,956	93,500	8,476
19	319	Backflow Prevention Devices		2.00%							
20	320	Other Plant and Miscellaneous		6.67%							
21	321	Office Furniture and Equipment		6.67%							
22	322	Transportation Equipment		20.00%							
23	323	Stores Equipment		4.00%					5,000	25,000	12,500
24	324	Tools, Shop and Garage Equipme		5.00%							
25	325	Laboratory Equipment		10.00%							
26	326	Power Operated Equipment		5.00%							
27	327	Communication Equipment		10.00%							
28	328	Miscellaneous Equipment		10.00%							
29	329	Other Tangible Plant		10.00%							
30	330	Other Tangible Plant		10.00%							
31	331	Totals			\$ 958,800	\$ 191,700	\$ 1,150,500	\$ 1,150,500	\$ 233,799	\$ 7,971,250	\$ 520,617
32	332	Composite Rate with 1/2 yr convention									
33	333	Licenses, Taxes, Permits									
34	334	Engineering and Contingency									
35	335	Total			\$ -	\$ -					
36	336	*Capacity Adjustment to Depreciation Expense -									
37	337	(Requires an Accounting Order)									
38	338	Customer connections									
39	339	Capacity (in customer connections)									
40	340	Capacity Factor									
41	341										
42	342										
43	343										
44	344										
45	345										
46	346										
47	347										
48	348										
49	349										
50	350										
51	351										
52	352										
53	353										

2.93%

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

886  
2,721  
0.3256

Willow Springs Water Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 4  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	With Treatment Plant Depreciation computed on Percent of Capacity					Contingencies		Year	
					Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance		
1	301	Organization		0.00%						\$ 25,000	\$		
2	302	Franchises		0.00%									
3	303	Land and Land Rights		0.00%									
4	304	Structures and Improvements		3.33%									
5	305	Collecting and Impounding Rese		2.50%									
6	306	Lake, River and Other Intakes		2.50%									
7	307	Wells and Springs		3.33%									
8	308	Infiltration Galleries and Tun		6.67%									
9	309	Supply Mains		2.00%									
10	310	Power Generation Equipment		5.00%									
11	311	Pumping Equipment		12.50%									
12	312	Water Treatment Equipment		3.33%									
13	313	Distribution Reservoirs and St		2.22%									
14	314	Transmission and Distribution		2.00%									
15	315	Services		3.33%									
16	316	Meters and Meter Installations		8.33%									
17	317	Hydrants		2.00%									
18	318	Hydrants (AIAC)		2.00%									
19	319	Backflow Prevention Devices		6.67%									
20	320	Other Plant and Miscellaneous		6.67%									
21	321	Office Furniture and Equipment		6.67%									
22	322	Transportation Equipment		20.00%									
23	323	Stores Equipment		4.00%									
24	324	Tools, Shop and Garage Equipme		5.00%									
25	325	Laboratory Equipment		10.00%									
26	326	Power Operated Equipment		5.00%									
27	327	Communication Equipment		10.00%									
28	328	Miscellaneous Equipment		10.00%									
29	329	Other Tangible Plant		10.00%									
30	330	Other Tangible Plant		10.00%									
31	331												
32	332												
33	333												
34	334												
35	335												
36	336												
37	337												
38	338												
39	339												
40	340												
41	341												
42	342												
43	343												
44	344												
45	345												
46	346												
47	347												
48	348												
49	349												
50	350												
51	351												
52	352												
53	353												
Totals					\$ 984,000	\$ 198,000	\$ 1,182,000	\$ 1,182,000	\$ 261,877	\$ 9,153,250	\$ 782,494		
Composite Rate with 1/2 yr convention												2.86%	

\$	-
\$	-
\$	-
	1,326
	2,721
	0.4873

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Exhibit  
Schedule 1a  
Page 5  
Witness:

Year 5

## Contingencies

\$ 1,020,000	\$ 207,000	\$ 1,227,000	\$ 1,227,000	\$ 290,721	\$ 10,380,250	\$ 1,073,215
--------------	------------	--------------	--------------	------------	---------------	--------------

2.80%

\$	-	1,786
\$	-	2,721
	-	0.6564

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Willow Springs Water Company  
Projected Capital Financing  
Projected Years Ended

Exhibit  
Schedule 1b  
Page 1  
Witness: Kozoman

	0	1	2	3	4	5	Totals
Plant to be Constructed (From Schedule 1.1 or 1a)	\$ -	\$ 6,022,050	\$ 798,700	\$ 1,150,500	\$ 1,182,000	\$ 1,227,000	\$ 10,380,250
Financing:							
Transmission & Distribution Lines Advanced by Builders		\$ 91,800	\$ 736,200	\$ 958,500	\$ 990,000	\$ 1,035,000	\$ 3,811,500
Plant Installed with Customer Meter Deposits		24,000	196,800	201,480	199,200	201,600	823,080
Contributions-in-aid of Construction (Hook-up Fees)		-	-	-	-	-	-
Common Equity Issued for Plant Construction		-	-	-	-	-	5,906,250
Common Equity Issued For Working Capital	25,000	75,000	-	-	-	-	100,000
Debt Financing Issued for Plant Construction							
Internal Cash Used for Plant Additions							-
Total Financing	\$ 25,000	\$ 6,097,050	\$ 933,000	\$ 1,159,980	\$ 1,189,200	\$ 1,236,600	\$ 10,640,830

**Willow Springs Water Company**  
**Schedule of Developer Advances and Refunds**  
**Projected Years**

Exhibit  
Schedule 1c  
Page 1  
Witness: Kozoman

Line No.	Year				
	0	1	2	3	5
<b><u>Developer Advances Collected</u></b>					
Internal Parcel Infrastructure		\$ 91,800	\$ 736,200	\$ 958,500	\$ 990,000
					\$ 1,035,000
Total Collected	\$ -	\$ 91,800	\$ 736,200	\$ 958,500	\$ 990,000
					\$ 1,035,000
Cummulative Collected	\$ -	\$ 91,800	\$ 828,000	\$ 1,786,500	\$ 2,776,500
					\$ 3,811,500
<b><u>Developer Advances Refunded (a)</u></b>					
Advances Refunds at 5% of Revenues from Water Sales			728	7,731	21,026
					47,784
Total Refunds	\$ -	\$ -	\$ 728	\$ 7,731	\$ 21,026
					\$ 47,784
Cummulative Refunds	\$ -	\$ -	\$ 728	\$ 8,458	\$ 29,484
					\$ 77,268
Cummulative Balance	\$ -	\$ 91,800	\$ 827,273	\$ 1,778,042	\$ 2,747,016
					\$ 3,734,232
(a) Refund Rate per Year	5% of Revenue from Customers served by line extension for 20 years.				

**Willow Springs Water Company**  
**Schedule of Meter Deposits and Refunds**  
**Projected Years**

Exhibit  
Schedule 1d  
Page 1  
Witness: Kozoman

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28 29 30

	Year					
	0	1	2	3	4	5
<b><u>Service Line and Meter Installations</u></b>						
Residential	\$	24,000	\$ 192,000	\$ 192,000	\$ 192,000	\$ 192,000
Commercial		-	4,800	7,200	7,200	9,600
School		-	-	2,280	-	-
Total Collected	\$ -	\$ 24,000	\$ 196,800	\$ 201,480	\$ 199,200	\$ 201,600
Cummulative Collected	\$ -	\$ 24,000	\$ 220,800	\$ 422,280	\$ 621,480	\$ 823,080
<b><u>Service Line and Meter Installations Refunded (a)</u></b>						
Meter Deposits from Year 1			2,400	2,400	2,400	2,400
Meter Deposits from Year 2				19,680	19,680	19,680
Meter Deposits from Year 3					20,148	20,148
Meter Deposits from Year 4						20,160
Meter Deposits from Year 5						
Total Refunds	\$ -	\$ -	\$ 2,400	\$ 22,080	\$ 42,228	\$ 62,388
Cummulative Refunds	\$ -	\$ -	\$ 2,400	\$ 24,480	\$ 66,708	\$ 129,096
Cummulative Balance	\$ -	\$ 24,000	\$ 218,400	\$ 397,800	\$ 554,772	\$ 693,984

(a) Refund Rate per Year 10%

**Willow Springs Water Company**  
**Schedule of Contributions-in-Aid of Construction**  
**Projected Years**

Exhibit  
Schedule 1e  
Page 1  
Witness: Kozoman

Line  
No.  
1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28

	Year					
	<u>0</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<b><u>Contributions (Hook-up Fees)</u></b>						
Residential	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Commercial		-	-	-	-	-
School		-	-	-	-	-
Total Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Collected	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b><u>Amortization</u></b>						
Composite Rate (1/2 Yr Conv.)	0.00%	1.27%	3.08%	2.93%	2.86%	2.80%
Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Amortization	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Cummulative Balance	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Willow Springs Water Company  
Projected Statements of Income  
For the 12 Months Ended

Exhibit  
Schedule 2  
Page 1  
Witness:  
Kozoman

Line No.		Year				
		1	2	3	4	5
1		\$ 136,299	\$ 257,709	\$ 486,806	\$ 719,637	\$ 955,676
2						
3	<b>Total estimated Revenues</b>					
4	<b>Expenses</b>					
5	Pumping Power - All	37,470	41,200	48,562	56,089	65,486
6	Wages	50,000	51,500	53,045	54,636	56,275
7	Payroll Burden	16,500	16,995	17,505	18,030	18,571
8	Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
9	Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
10	Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
11	Chemicals	6,000	9,000	12,000	15,000	18,000
12	Supplies	4,000	5,000	6,000	7,000	8,000
13	Repairs	2,000	6,000	9,000	12,000	15,000
14	Insurance (b)	4,000	4,120	4,244	4,371	4,502
15	Office Expense	1,000	3,000	5,000	7,000	9,000
16	Billing, Postage, Operations, Management	3,900	39,780	104,208	169,026	234,156
17	Contract Labor	2,000	2,060	2,122	2,185	2,251
18	Administrative Services	36,900	45,180	60,048	75,006	90,036
19	Rentals	3,000	3,090	3,183	3,278	3,377
20	Depreciation net of Amortization of CIAC (From Schedules 1a & 1e)	76,660	210,158	233,799	261,877	290,721
21	Vehicles (b)	2,500	2,575	2,652	2,732	2,814
22	Legal & Accounting (b)	12,000	12,360	12,731	13,113	13,506
23	Miscellaneous Expenses (b) (e)	2,400	2,472	2,546	2,623	2,701
24	Testing (d)	255	2,300	4,430	6,630	8,930
25	Income Taxes	50	50	50	50	50
26	Property Taxes (f)	7,463	9,823	16,593	27,134	39,433
27						
28	<b>Total Expense</b>	\$ 277,098	\$ 475,783	\$ 606,961	\$ 747,151	\$ 892,311
29						
30	<b>Operating income (loss)</b>	\$ (140,799)	\$ (218,074)	\$ (120,155)	\$ (27,514)	\$ 63,364
31	Less:					
32	Interest (Expense)/Income on Cash Balance (c)					
33	Interest Expense Long-term Debt (c)	375	919	2,950	6,256	10,469
34	<b>Net Income</b>	\$ (140,424)	\$ (217,156)	\$ (117,205)	\$ (21,257)	\$ 73,833
35	Income Tax assumes utilization of loss carryforwards. Income Tax computed on book basis.					
36	(a) Per customer per month					
37	(b) Annual Inflation of:					
38	(c) If Applicable					
39	(d) Based on Testing Cost of \$5.00 Per Year Per Customer					
40	(e) Miscellaneous Expenses of \$200 per month					
41	(f) See Property Tax Calculation					

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 1  
Witness:

Kozoman

Line No.	Year				
	1	2	3	4	5
3 Residential					
4 5/8 Inch	\$ 14,550	\$ 145,500	\$ 378,300	\$ 611,100	\$ 843,900
5 Establishment Fees *	-	-	-	-	-
6 Total Residential Revenues	14,550	145,500	378,300	611,100	843,900
7					
8 Commercial					
9 5/8 Inch	-	9,113	31,894	59,231	91,125
10 Establishment Fees *	-	-	-	-	-
11 Total Commercial Revenues	-	9,113	31,894	59,231	91,125
12					
13 Effluent Revenues, if Applicable	121,749	103,097	66,287	28,656	-
14					
15 Other Revenues					
16 School	-	-	10,325	20,651	20,651
17 Establishment Fees *	-	-	10,325	20,651	20,651
18 Total School Revenues	-	-	10,325	20,651	20,651
19					
20 Total	\$ 136,299	\$ 257,709	\$ 486,806	\$ 719,637	\$ 955,676
21					
22					
23					
24					

\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Water Company  
Customer Counts  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 2  
Witness: Kozoman

Line No.	Year	1	2	3	4	5
1	<u>Year Ended</u>					
2	<u>Residential</u>					
3	5/8 Inch	50	450	850	1,250	1,650
4						
5						
6	<u>Commercial</u>					
7	5/8 Inch	-	10	35	75	135
8	1 Inch	-	-	-	-	-
9	2 Inch	-	-	-	-	-
10						
11	<u>Irrigation</u>					
12	Sewer Utility	1				
13	School 2 Inch	-	-	1	1	1
14						
15						
16						
17	Total	51	460	886	1,326	1,786
18						
19	Customer Count for Computing Revenues (Uses 1/2 Year Convention)					
20						
21	<u>Year Ended</u>	<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
22	<u>Residential</u>					
23	5/8 Inch	25.00	250.00	650.00	1,050.00	1,450.00
24						
25	<u>Commercial</u>					
26	5/8 Inch	-	5.00	17.50	32.50	50.00
27	1 Inch	-	-	-	-	-
28	2 Inch	-	-	-	-	-
29						
30	<u>Irrigation</u>					
31						
32	School 2 Inch	-	-	0.50	1.00	1.00
33						
34						
35						
36	Total	25.00	255.00	668.00	1,083.50	1,501.00

Willow Springs Water Company  
Gallons Sold (1,000's)  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 3  
Witness: Kozoman

Line No.	Year	1	2	3	4	5
1	<u>Year Ended</u>					
2	<u>Residential</u>					
3	5/8 Inch	2,100	21,000	54,600	88,200	121,800
4						
5						
6	<u>Commercial</u>					
7	5/8 Inch	-	1,825	6,388	11,863	18,250
8	1 Inch	-	-	-	-	-
9	2 Inch	-	-	-	-	-
10						
11	<u>Irrigation Water</u>					
12	To Sewer Utility	81,166	68,731	44,191	19,104	-
13	School 2 Inch	-	-	2,738	5,475	5,475
14						
15						
16						
17	Total	83,266	91,556	107,916	124,641	145,525
18						
19	Commercial & School	-	1,825	9,125	17,338	23,725
20						
21						
22						

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 4  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1						
2	<u>Projected Customers / Residential 5/8 Inch Meter</u>					
3						
4						
5						
6	Estimated connections installed by year end	300	600	600	600	600
7	(Cumulative)	50	450	850	1,250	1,650
8	Estimated connection installed during the year	50	400	400	400	400
9						
10	1/2 Year Convention for Revenue	25.00	250.00	650.00	1,050.00	1,450.00
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*	2,100	21,000	54,600	88,200	121,800
15	Assuming average usage per month of:					
16	Daily Gallons	5,753	57,534	149,589	241,644	333,699
17	Residential:					
18	Monthly Mins.	\$ 8,400	\$ 84,000	\$ 218,400	\$ 352,800	\$ 487,200
19						
20	For Usage Up to: (Gallons)					
21	4,000 \$ 2.50 Commodity Rate & Revenue	3,000	30,000	78,000	126,000	174,000
22	9,000 \$ 3.50 Commodity Rate & Revenue	3,150	31,500	81,900	132,300	182,700
23	Usage over:					
24	9,001 \$ 4.50 Commodity Rate & Revenue					
25						
26						
27	<u>Average Bill for Residential Customer:</u>					
28	\$ 45.00					
29						
30						
31						
32						
33	Establishment Fees at:					
34	Total Revenue	\$ 14,550	\$ 145,500	\$ 378,300	\$ 611,100	\$ 843,900
35						
36						
37	197.26 = Gallons per day					
38	30.42 = Days in Average Month					
39	6,000 = Average Usage per month					
40						
41						
42						

\*\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 5  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1	<b>Projected Customers / School 2 Inch Meter:</b>					
2						
3						
4						
5						
6	Estimated connections installed by year end			1	1	1
7	(Cumulative)			1	1	1
8	Estimated connection installed during the year			1		
9						
10	1/2 Year Convention for Revenue	-	-	0.50	1.00	1.00
11						
12	<b>Projected Revenue</b>					
13						
14						
15	Annual gallonage delivered (in 1,000's)*			2,738	5,475	5,475
16	Assuming average usage per month of:					
17	Daily Gallons			-	-	-
18	<b>School:</b>					
19	Monthly Mins. 2 Inch Meter	\$	\$	\$	\$	\$
20	For Usage Up to: (Gallons)					
21	100,000					
22	500,000					
23	Usage over:					
24	500,001					
25						
26	Establishment Fees at					
27	Total Revenue	\$	\$	\$	\$	\$
28						
29	15,000 = Gallons per day					
30	30.42 = Days in Average Month					
31	456,250 = Average Usage per month					
32						
33	** Collected at either Water or Wastewater Utility, but not both.					

Assumed that water usage was based on number of students (750) times usage of 20 gallons per student, per day, times average number of days in a month. Assumed 365 day usage. Further assumed that other water usage (landscape, etc.) would account for days when there was no school (such as weekends & holidays)

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 6  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1	<u>Projected Customers / Commercial 5/8 Inch Meter</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end					
7	(Cumulative)					
8	Estimated connection installed during the year					
9						
10	1/2 Year Convention for Revenue					
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*					
15	Assuming average usage per month of:					
16	Daily Gallons					
17	<u>Commercial</u>					
18	Monthly Mins. 5/8 Inch Meter					
19	For Usage Up to: (Gallons)					
20	4,000					
21	9,000					
22	Usage over:					
23	9,001					
24						
25						
26						
27	Establishment Fees at					
28	Total Revenue					
29						
30	1,000 = Gallons per day					
31	30.42 = Days in Average Month					
32	30,417 = Average Usage per month					
33						
34	** Collected at either Water or Wastewater Utility, but not both.					

1,000 = Gallons per day  
30.42 = Days in Average Month  
30,417 = Average Usage per month

\*\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 7  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1	<u>Projected Customers / Commercial 1 Inch Meter</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end					
7	(Cumulative)					
8	Estimated connection installed during the year					
9						
10	1/2 Year Convention for Revenue					
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*					
15	Assuming average usage per month of:					
16	Daily Gallons					
17	Commercial					
18	Monthly Mins. 1 Inch Meter					
19	For Usage Up to: (Gallons)					
20	4,000					
21	9,000					
22	Usage over:					
23	9,001					
24						
25	Establishment Fees at					
26	Total Revenue					
27						
28	657.53 = Gallons per day					
29	30.42 = Days in Average Month					
30	20,000 = Average Usage per month					
31						
32						

\*\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Water Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 8  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1	<u>Projected Customers / Commercial 2 Inch Meter</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end					
7	(Cumulative)	-	-	-	-	-
8	Estimated connection installed during the year	-	-	-	-	-
9						
10	1/2 Year Convention for Revenue	-	-	-	-	-
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*					
15	Assuming average usage per month of:					
16	Daily Gallons					
17	Commercial					
18	Monthly Mins. 2 Inch Meter	\$	\$	\$	\$	\$
19	For Usage Up to: (Gallons)					
20	4,000	\$	2.50	Commodity Rate & Rev Tier 1		
21	9,000	\$	3.50	Commodity Rate & Rev Tier 2		
22	Usage over:					
23	9,001	\$	4.50	Commodity Rate & Rev Tier 3		
24						
25	Establishment Fees at	\$	\$	\$	\$	\$
26	Total Revenue	\$	\$	\$	\$	\$
27						
28	986.30 = Gallons per day					
29	30.42 = Days in Average Month					
30	<u>30,000 = Average Usage per month</u>					
31						
32	** Collected at either Water or Wastewater Utility, but not both.					

\*\* Collected at either Water or Wastewater Utility, but not both.

Exhibit  
Schedule 2a  
Page 9  
Witness: Kozoman

\* If Applicable

SALLQUIST, DRUMMOND & O'CONNOR, P.C.

Tempe Office  
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Tempe, Arizona 85282

F A X C O V E R S H E E T

DATE: January 13, 2006

TIME: 10:17 AM

TO: Mark Taylor

(520) 206-9518

FROM: Richard L. Sallquist

PHONE: (480) 839-5202

FAX: (480) 345-0412

E-MAIL: dick@sd-law.com

RE:

NUMBER OF PAGES INCLUDING COVER SHEET: 10

ACCOUNT NUMBER: 96005-00000

Mark: I will call about the attached. Thanks. Dick

**Willow Springs Water Company**  
**Schedule for the Computation of Projected**  
**Property Taxes for the Years Ended**

Exhibit  
Schedule 2b  
Page 1  
Witness: Kozoman

Line No.	Year				
	1	2	3	4	5
Revenue Component 1	\$ 136,299	\$ 136,299	\$ 136,299	\$ 257,709	\$ 486,806
Revenue Component 2	136,299	136,299	257,709	486,806	719,637
Revenue Component 3	136,299	257,709	486,806	719,637	955,676
Average 3 years of revenue	\$ 272,599	\$ 353,539	\$ 587,210	\$ 976,102	\$ 1,441,412
Add:					
Construction Work in Progress at 10%	0	0	0	0	0
Deduct:					
Book Value of Transportation Equipment	22,500	17,500	7,500	7,500	2,500
Full Cash Value	\$ 250,099	\$ 336,039	\$ 579,710	\$ 968,602	\$ 1,438,912
Times Assessment Ratio	24.50%	24.00%	23.50%	23.00%	22.50%
Assessed Value	\$ 61,274	\$ 80,649	\$ 136,232	\$ 222,778	\$ 323,755
Property Tax Rate (Statewide Rate Used)	12.18%	12.18%	12.18%	12.18%	12.18%
Computed Property Tax	\$ 7,463	\$ 9,823	\$ 16,593	\$ 27,134	\$ 39,433

Willow Springs Water Company  
Projected Cash Flows  
For the Years Ended

Exhibit  
Schedule 3  
Page 1  
Witness: Kozoman

Line No.	Year												Witness:	Kozoman
	0	1	2	3	4	5								
1														
2														
3														
4														
5														
6														
7														
8														
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Cash from Operations														
Beginning Cash Balance	\$	-	\$	25,000	\$	36,236	\$	160,411	\$	256,674	\$	441,240		
Income from Operations (From Income Statement, Schedule 2)				(140,424)		(217,156)		(117,205)		(21,257)		73,833		
Add Depreciation expense (From Income Statement, Schedule 2)				76,660		210,158		233,799		261,877		290,721		
Total Cash From Operations	\$	-	\$	(63,764)	\$	(6,998)	\$	116,593	\$	240,620	\$	364,554		
Cash from Financing														
Deposits (security) collected	\$	-	\$	-	\$	-	\$	-	\$	-	\$	-		
Long-Term Debt														
Common Equity														
Advances in Aid of Const. (From Schedule 1c)														
Contribution in Aid of Const. (Hook-up Fees)														
Meter Deposits Collected (From Schedule 1d)														
Total Cash from Financing	\$	25,000	\$	6,097,050	\$	933,000	\$	1,159,980	\$	1,189,200	\$	1,236,600		
Uses of Cash:														
Long-term debt Repayment														
Advances Refunded (From Schedule 1c)	\$	-	\$	-	\$	728	\$	7,731	\$	21,026	\$	47,784		
Meter Deposit Refunded (From Schedule 1d)														
Deposit (Security) refunded														
Capital Improvements - Plant (From Schedule 1.1)														
Total Cash Uses	\$	-	\$	6,022,050	\$	798,700	\$	1,150,500	\$	1,182,000	\$	1,227,000		
Ending Cash Balance (Line3 + 9 + 21 - 34)	\$	25,000	\$	36,236	\$	160,411	\$	256,674	\$	441,240	\$	705,222		
Interest Income: Assuming Earning Equal to Inflation Factor on Average Cash Balance														
Average Cash Balance ((Line 4 + Line 36)/2)	\$	12,500	\$	30,618	\$	98,324	\$	208,543	\$	348,957	\$	573,231		
Interest Earned (Assumed Inflation Rate times Average Ba	\$	375	\$	919	\$	2,950	\$	6,256	\$	10,469	\$	17,197		

**Willow Springs Water Company  
REPRESENTATIVE RATE SCHEDULE**

Exhibit  
Schedule 4  
Page 1  
Witness: Kozoman

PROPOSED RATES

LINE  
NO.

<u>METER SIZE</u>			<u>MONTHLY CHARGE</u>
1			
2			
3	MONTHLY MINIMUMS:		
4	5/8 x 3/4 And	\$	28.00
5	3/4	\$	28.00
6	1	\$	70.00
7	1 1/2	\$	140.00
8	2	\$	224.00
9	3	\$	448.00
10	4	\$	700.00
11	6	\$	1,400.00
12	8	\$	2,240.00
13	10	\$	3,220.00
14	12	\$	6,020.00
15			
16	COMMODITY RATES / ALL METERS		
17	Usage	Usage	<b>5/8 &amp; 3/4 Inch Meters</b>
18	From	To	
19	-	4,000	\$ 2.50
20	4,001	9,000	\$ 3.50
21	9,001	Infinity	\$ 4.50
22			
23	Usage	Usage	<b>1 Inch Meters</b>
24	From	To	
25	-	10,000	\$ 2.50
26	10,001	22,500	\$ 3.50
27	22,501	Infinity	\$ 4.50
28			
29	Usage	Usage	<b>1 1/2 Inch Meters</b>
30	From	To	
31	-	20,000	\$ 2.50
32	20,001	45,000	\$ 3.50
33	45,001	Infinity	\$ 4.50
34			
35	Usage	Usage	<b>2 Inch Meters</b>
36	From	To	
37	-	32,000	\$ 2.50
38	32,001	72,000	\$ 3.50
39	72,001	Infinity	\$ 4.50
40			
41	COMMODITY RATES / SCHOOL		
42	Usage	Usage	<b>2 Inch Meters</b>
43	From	To	
44	0	100,000	\$ 2.50
45	100,001	500,000	\$ 3.50
46	500,001	Infinity	\$ 4.50
47			

**Willow Springs Water Company**  
**REPRESENTATIVE RATE SCHEDULE**

Exhibit  
Schedule 4  
Page 2  
Witness: Kozoman

<u>LINE NO.</u>	<u>PROPOSED RATES</u>			
1	Usage	Usage	<b>3 Inch Meters</b>	
2	From	To		
3	-	7,000	\$	2.50
4	7,001	144,000	\$	3.50
5	144,001	Infinity	\$	4.50
6				
7	Usage	Usage	<b>4 Inch Meters</b>	
8	From	To		
9	-	7,000	\$	2.50
10	7,001	225,000	\$	3.50
11	225,001	Infinity	\$	4.50
12				
13	Usage	Usage	<b>6 Inch Meters</b>	
14	From	To		
15	-	7,000	\$	2.50
16	7,001	450,000	\$	3.50
17	450,001	Infinity	\$	4.50
18				
19	Usage	Usage	<b>8 Inch Meters</b>	
20	From	To		
21	-	7,000	\$	2.50
22	7,001	720,000	\$	3.50
23	720,001	Infinity	\$	4.50
24				
25	Usage	Usage	<b>10 Inch Meters</b>	
26	From	To		
27	-	7,000	\$	2.50
28	7,001	1,035,000	\$	3.50
29	1,035,001	Infinity	\$	4.50
30				
31	Usage	Usage	<b>12 Inch Meters</b>	
32	From	To		
33	-	7,000	\$	2.50
34	7,001	1,935,000	\$	3.50
35	1,935,001	Infinity	\$	4.50
36				
37	Irrigation Water Sales to Sewer Utility (No other customer qualifies			
38	for this tariff)			\$ 1.50
39				
40	Construction Water			\$ 3.00

**Willow Springs Water Company  
REPRESENTATIVE RATE SCHEDULES  
STATEMENT OF CHARGES**

Exhibit  
Schedule 5  
Page 1  
Witness: Kozoman

LINE  
NO.

		<u>Proposed</u>
1	A. Establishment of Service	\$ 30.00
2	Establishment of Service, after hours	\$ 50.00
3	(Charged at either Water or Wastewater Utility, but not both.)	
4	B. Re-establishment of Service	see (a)
5	C. Reconnection of service	\$ 50.00
6	D. After hours service charge, per hour	\$ 50.00
7	E. Minimum Deposit Two Times Monthly Bill	
8	F. Charge for NSF Check	\$ 35.00
9	G. Late payment charge for delinquent bills	
10	H. Deferred Payment Finance Charge	1.50%
11	I. Main Extension and additional facilities agreements,	@ COST (b)
12	J. All Revenue related taxes will be charged customers.	
13	K. Meter Test (If Meter is reading correctly)	\$ 30.00
14	L. Meter Re-Read	\$ 30.00
15	M. Deferred Payment	1.50% Per Month
16	N. Late Payment	1.50% Per Month
17	Meter and Service Line Installation (c)	

		<u>Service</u>		<u>Meter</u>		<u>Total</u>
		<u>Line</u>				
20	5/8 x 3/4 inch	\$ 370.00	\$	110.00	\$	480.00
21	3/4 inch	370.00		190.00		560.00
22	1 inch	420.00		230.00		650.00
23	1 1/2 inch	455.00		440.00		895.00
24	2 Inch - Turbo	615.00		940.00		1,555.00
25	2 inch - Compound	615.00		1,665.00		2,280.00
26	3 inch - Turbo	790.00		1,445.00		2,235.00
27	3 Inch - Compound	830.00		2,240.00		3,070.00
28	4 Inch - Turbo	1,140.00		2,300.00		3,440.00
29	4 inch - Compound	1,200.00		3,195.00		4,395.00
30	6 Inch - Turbo	1,715.00		4,495.00		6,210.00
31	6 inch - Compound	1,740.00		6,230.00		7,970.00

**RULES AND REGULATIONS**

\* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

(c) Plus income tax, as meter and service lines to single customer are taxable by IRS

Codes. Income tax will be refunded along with meter and service line charge over term of refund period. Charge based on Memo from Marlin Scott, Jr. 6/30/04. Average of high and low costs used.

**Willow Springs Utility Company  
Index of Schedules**

<u>ACC</u> <u>Forms</u>	<u>Number</u> <u>of</u> <u>Page</u>	<u>Page</u> <u>Number</u>	
	2 Pages	1 & 2	Balance Sheet, Attachment C
	1 Page	Unnumbered	Income Statement, Attachment CS-2
	5 Pages	1 thru 5	Plant Cost, Attachment CS-3
	1 Page	Unnumbered	Tariff Attachment D

**Schedules**

<u>for Staff</u>	<u>Page(s)</u>		
1	1	1	Balance Sheet
1.1	Summary	1.1	Summary of Plant Additions by Year
1a	5 Pages	1 thru 5	Plant and Depreciation, 5 Pages
1b	1 Page	1	Financing of Plant & Operating Losses
1c	1 Page	1	Advances and Refunds
1d	1 Page	1	Meter Deposits and Refunds (If Applicable)
1e	1 Page	1	Contributions in Aid of Construction
2	1 Page	1	Income Statement
2a	1 Page	1	Projected Revenues all customers
2a	1 Page	2	Customer Counts all customers
2a	1 Page	3	Gallons Treated or Sold, all customers
2a	1 Page	4	Projected Revenues, customers, gallons for 5/8 Inch residential class
2a	1 Page	5	Projected Revenues, customers, gallons for School
2a	1 Page	6	Projected Revenues, customers, gallons 5/8 Inch commercial class
2a	1 Page	7	Projected Revenues, customers, gallons 1 Inch commercial class
2a	1 Page	8	Projected Revenues, customers, gallons 2 Inch commercial class
2a	1 Page	9	Effluent, (If Applicable)
2b	1 Page	1	Property Taxes
3	1 Page	1	Projected Cash Flow
5	1 Page	1	Proposed Rates
6	1 Page	1	Service Charges
6	1 Page		Hook-up Fees

ATTACHMENT C

PROFORMA BALANCE SHEET (WASTEWATER)

Page 1  
Revised

**Willow Springs Utility Company**

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<b>ASSETS</b>					
<u>Current Assets</u>					
Cash	\$ 243,131	\$ 251,787	\$ 983,790	\$ 1,915,225	\$ 3,087,039
Accounts Receivable	0	0	0	0	0
Other	0	0	0	0	0
Total Current Assets	<u>\$ 243,131</u>	<u>\$ 251,787</u>	<u>\$ 983,790</u>	<u>\$ 1,915,225</u>	<u>\$ 3,087,039</u>
<u>Fixed Assets</u>					
Utility Plant	\$ 7,945,938	\$ 10,386,625	\$ 11,225,625	\$ 12,085,625	\$ 12,975,625
(Less) Accumulated Depreciation	<u>(24,204)</u>	<u>(176,322)</u>	<u>(443,195)</u>	<u>(795,808)</u>	<u>(1,237,797)</u>
Net Plant in Service	\$ 7,921,733	\$ 10,210,303	\$ 10,782,430	\$ 11,289,817	\$ 11,737,828
Total Assets	<u>\$ 8,164,864</u>	<u>\$ 10,462,090</u>	<u>\$ 11,766,220</u>	<u>\$ 13,205,042</u>	<u>\$ 14,824,868</u>
<b>LIABILITIES AND CAPITAL</b>					
<u>Current and Accrued Liabilities</u>					
Accounts Payable	0	0	0	0	0
Notes Payable	0	0	0	0	0
Accrued Taxes	0	0	0	0	0
Accrued Interest	0	0	0	0	0
Other	0	0	0	0	0
Total Current and Accrued Liabilities	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

ATTACHMENT C

PROFORMA BALANCE SHEET (WASTEWATER)

Page 2  
Revised

Willow Springs Utility Company

	<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>
<u>Long-Term Debt</u>	0	0	0	0	0
<u>Deferred Credits</u>					
Advances in Aid of Construction	\$ 125,000	\$ 1,149,145	\$ 2,183,245	\$ 3,199,612	\$ 4,203,273
Contribution in Aid of Construction, Net of Amortization					
Accumulated Deferred Income Tax	123,750	344,000	591,925	814,900	1,045,500
Total Deferred Credits	\$ 248,750	\$ 1,493,145	\$ 2,775,170	\$ 4,014,512	\$ 5,248,773
<u>CAPITAL ACCOUNT</u>					
Common Stock	8,100,000	9,290,688	9,290,688	9,290,688	9,290,688
Preferred	0	0	0	0	0
Paid in Capital	0	0	0	0	0
Retained Earnings	(183,886)	(321,743)	(299,638)	(100,158)	285,407
Total Capital	\$ 7,916,114	\$ 8,968,945	\$ 8,991,050	\$ 9,190,529	\$ 9,576,094
TOTAL LIABILITIES AND CAPITAL	\$ 8,164,864	\$ 10,462,090	\$ 11,766,220	\$ 13,205,042	\$ 14,824,868
Differences					\$ (0)

## CS-2

PROFORMA INCOME STATEMENT (WASTEWATER)**Willow Springs Utility Company**

	<u>YR. ONE</u>	<u>YR. TWO</u>	<u>YR. THREE</u>	<u>YR. FOUR</u>	<u>YR. FIVE</u>
<b>REVENUES:</b>					
Revenues from Wastewater Treatment	\$ 17,100	\$ 168,000	\$ 422,652	\$ 677,184	\$ 926,784
Establishment Fees	1,500	12,300	12,480	12,450	12,600
Effluent	101,212	101,182	101,182	101,182	101,182
<b>Total Revenues</b>	<b>\$ 119,812</b>	<b>\$ 281,482</b>	<b>\$ 536,314</b>	<b>\$ 790,816</b>	<b>\$ 1,040,566</b>
<b>EXPENSES:</b>					
Pumping Power - All	\$ 37,659	\$ 43,254	\$ 54,297	\$ 65,587	\$ 76,383
Wages	50,000	51,500	53,045	54,636	56,275
Payroll Burden	16,500	16,995	17,505	18,030	18,571
Purchased Water at \$1.50 per 1,000 gallons	121,749	103,097	66,287	28,656	-
Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
Chemicals	6,000	9,000	12,000	15,000	18,000
Supplies	4,000	5,000	6,000	7,000	8,000
Repairs	2,000	6,000	9,000	12,000	15,000
Insurance	4,000	4,120	4,244	4,371	4,502
Office Expense	1,000	3,000	5,000	7,000	9,000
Billing, Postage, Operations	-	-	-	-	-
Contract Labor	2,000	2,060	2,122	2,185	2,251
Administrative Services	-	-	-	19,521	27,036
Rentals	3,000	3,090	3,183	3,278	3,377
Depreciation net of Amortization of CIAC	22,954	147,368	257,298	338,088	422,588
Vehicles	2,500	2,575	2,652	2,732	2,814
Legal & Accounting	12,000	12,360	12,731	13,113	13,506
Miscellaneous Expenses	2,400	2,472	2,546	2,623	2,701
Testing	255	2,300	4,430	6,630	8,930
Income Taxes	50	50	50	50	50
Property Taxes	7,006	-	-	-	-
<b>Total Expense</b>	<b>\$ 304,074</b>	<b>\$ 423,361</b>	<b>\$ 521,633</b>	<b>\$ 609,870</b>	<b>\$ 698,487</b>
<b>Operating income (loss)</b>	<b>\$ (184,261)</b>	<b>\$ (141,879)</b>	<b>\$ 14,681</b>	<b>\$ 180,946</b>	<b>\$ 342,080</b>
Less:					
Interest (Expense) Income on Cash Balance	375	4,022	7,424	18,534	43,485
Interest Expense Long-term Debt					
<b>Net Income</b>	<b>\$ (183,886)</b>	<b>\$ (137,857)</b>	<b>\$ 22,105</b>	<b>\$ 199,480</b>	<b>\$ 385,565</b>

CS-3  
PROFORMA UTILITY PLANT IN SERVICE (WASTEWATER)  
FIRST YEAR  
**Willow Springs Utility Company**

Page 1

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	-	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Power Generation Equipment	-	-	-
Collection sewers -Force	-	-	-
Collection Sewers - Gravity (AIAC)	1,158,438	11,584	1,146,853
Special Collecting Structures	-	-	-
Services to customers - Residential	25,000	250	24,750
Services to customers - None Residential	-	-	-
Flow measuring Devices	-	-	-
Flow measuring Installations	-	-	-
Reuse Services	-	-	-
Reuse Meters and Meter Install	-	-	-
Receiving Wells	-	-	-
Pumping Equipment	-	-	-
Reuse Distribution Reservoirs	457,500	5,719	451,781
Reuse Transmission and Distrib	-	-	-
Treatment and Disposal Equipment*	6,250,000	3,984	6,246,016
Plant Sewers	-	-	-
Outfall Sewer Lines	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	5,000	167	4,833
Transportation Equipment	25,000	2,500	22,500
Stores Equipment	-	-	-
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
	<u>\$ 7,945,938</u>	<u>\$ 24,204</u>	<u>\$ 7,921,733</u>

CS-3  
PROFORMA UTILITY PLANT IN SERVICE (WASTEWATER)  
SECOND YEAR  
Willow Springs Utility Company

Page 2

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	1,771,938	40,888	1,731,049
Infiltration Galleries and Tun	468,750	4,688	464,063
Supply Mains	225,000	2,750	222,250
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	15,625	234,375
Meters and Meter Installations	457,500	17,156	440,344
Hydrants	908,438	11,355	897,082
Hydrants (AIAC)	6,250,000	75,859	6,174,141
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	500	4,500
Stores Equipment	25,000	7,500	17,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	<u>\$ 10,386,625</u>	<u>\$ 176,322</u>	<u>\$ 10,210,303</u>

CS-3  
PROFORMA UTILITY PLANT IN SERVICE (WASTEWATER)  
THIRD YEAR  
Willow Springs Utility Company

Page 3

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	2,410,938	82,717	2,328,221
Infiltration Galleries and Tun	468,750	14,063	454,688
Supply Mains	425,000	9,250	415,750
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	46,875	203,125
Meters and Meter Installations	457,500	28,594	428,906
Hydrants	908,438	34,066	874,371
Hydrants (AIAC)	6,250,000	214,297	6,035,703
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	834	4,166
Stores Equipment	25,000	12,500	12,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	<u>\$ 11,225,625</u>	<u>\$ 443,195</u>	<u>\$ 10,782,430</u>

CS-3  
PROFORMA UTILITY PLANT IN SERVICE (WASTEWATER)  
FOURTH YEAR  
Willow Springs Utility Company

Page 4

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	3,070,938	137,536	2,933,402
Infiltration Galleries and Tun	468,750	23,438	445,313
Supply Mains	625,000	19,750	605,250
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	78,125	171,875
Meters and Meter Installations	457,500	40,031	417,469
Hydrants	908,438	56,777	851,660
Hydrants (AIAC)	6,250,000	421,484	5,828,516
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	1,167	3,833
Stores Equipment	25,000	17,500	7,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	<u>\$ 12,085,625</u>	<u>\$ 795,808</u>	<u>\$ 11,289,817</u>

CS-3  
PROFORMA UTILITY PLANT IN SERVICE (WASTEWATER)  
FIFTH YEAR  
Willow Springs Utility Company

Page 5

	ORIGINAL COST	ACCUM. DEPRC.	ORIG. COST LESS DEPREC.
Organization	\$ 25,000	\$ -	\$ 25,000
Franchises	-	-	-
Land and Land Rights	-	-	-
Structures and Improvements	-	-	-
Collecting and Impounding Rese	-	-	-
Lake, River and Other Intakes	-	-	-
Wells and Springs	3,760,938	205,854	3,555,083
Infiltration Galleries and Tun	468,750	32,813	435,938
Supply Mains	825,000	34,250	790,750
Power Generation Equipment	-	-	-
Pumping Equipment	-	-	-
Water Treatment Equipment	-	-	-
Distribution Reservoirs and St	-	-	-
Transmission and Distribution	-	-	-
Transmission and Distribution (AIAC)	-	-	-
Services	250,000	109,375	140,625
Meters and Meter Installations	457,500	51,469	406,031
Hydrants	908,438	79,488	828,949
Hydrants (AIAC)	6,250,000	700,547	5,549,453
Backflow Prevention Devices	-	-	-
Other Plant and Miscellaneous	-	-	-
Office Furniture and Equipment	-	-	-
Transportation Equipment	5,000	1,501	3,499
Stores Equipment	25,000	22,500	2,500
Tools, Shop and Garage Equipme	-	-	-
Laboratory Equipment	-	-	-
Power Operated Equipment	-	-	-
Communication Equipment	-	-	-
Miscellaneous Equipment	-	-	-
Other Tangible Plant	-	-	-
Other Tangible Plant	-	-	-
TOTAL PLANT IN SERVICE	<u>\$ 12,975,625</u>	<u>\$ 1,237,797</u>	<u>\$ 11,737,828</u>

ATTACHMENT "D"  
WASTEWATER TARIFF SCHEDULE

Page 1

UTILITY: Willow Springs Utility Company

RATES AND CHARGES

CUSTOMER / MINIMUM CHARGE  
PER MONTH

<u>METER</u>	<u>CHARGE</u>		<u>GALLONS</u>
5/8 x 3/4	\$ 52.00	FOR	ZERO
3/4	\$ 52.00	FOR	ZERO
1	\$ 130.00	FOR	ZERO
1 1/2	\$ 260.00	FOR	ZERO
2	\$ 416.00	FOR	ZERO
3	\$ 832.00	FOR	ZERO
4	\$ 1,300.00	FOR	ZERO
6	\$ 2,600.00	FOR	ZERO
8	\$ 4,160.00	FOR	ZERO
10	\$ 5,980.00	FOR	ZERO
12	\$ 11,180.00	FOR	ZERO

<u>METER</u>	<u>Hook-up Fee</u>
5/8 x 3/4	\$ 2,500.00
3/4	\$ 3,750.00
1	\$ 6,250.00
1 1/2	\$ 6,250.00
2	\$ 20,000.00
3	\$ 40,000.00
4	\$ 62,500.00
6	\$ 125,000.00

<b>Effluent</b> (Per 1,000 gallons)	\$ 1.38
(Per Acre Foot)	\$ 449.67

SERVICE CHARGES:

1. ESTABLISHMENT (R14-2-403.D.1)	\$ 30.00
2. ESTABLISHMENT / AFTER HOURS (R14-2-403.D.2)	\$ 50.00
3. RECONNECTION / DELINQUENT (R14-2-403.D.1)	\$ 50.00
4. NSF CHECK (R14-2-409.F.1)	\$ 30.00
5. METER REREAD / IF CORRECT (R-14-408.C.2)	\$ 30.00
6. METER TEST / IF CORRECT (R14-2-408.F.1)	\$ 30.00
7. DEFERRED PAYMENT (R14-2-409.G.6)	1.50% Per Month
8. DEPOSIT INTEREST (R14-2-408.B.3)	
9. DEPOSIT (R14-2-403.B.7)	per rule
10. REESTABLISHMENT WITHIN 12 MONTHS (R14-2-608.F.1)	(a)
11. LATE PAYMENT PENALTY (R14-2-408.F.1)	1.50% Per Month
12. All Revenue related taxes will be charged customers.	

Main Extension and additional facilities agreements,  
RULES AND REGULATIONS

@ COST (b)

\* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

(a) Monthly minimum times months off the system

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

Please see Schedule 6 for Applicable Hook-up Fee Charges

Willow Springs Utility Company  
Projected Balance Sheets  
For the Years Ended

Exhibit  
Schedule 1  
Page 1  
Witness: Kozoman

Line No.	Beginning of Year	Label	1st year Changes	1	2	3	4	5
3		<b>Assets</b>						
4		Utility Plant	- (a)	7,945,938	10,386,625	11,225,625	12,085,625	12,975,625
5		Accumulated Depreciation	- (b)	(24,204)	(176,322)	(443,195)	(795,808)	(1,237,797)
6								
7		Cash	25,000	243,131	251,787	983,790	1,915,225	3,087,039
8								
9								
10		<b>Total Assets</b>		\$ 8,139,864	\$ 10,462,090	\$ 11,766,220	\$ 13,205,042	\$ 14,824,868
11								
12		<b>Equity and Liabilities</b>						
13								
14		<b>Equity</b>						
15								
16		Common Stock	25,000 (d)	8,100,000	9,290,688	9,290,688	9,290,688	9,290,688
17								
18		Retained Earnings	(e)	(183,886)	(321,743)	(299,638)	(100,158)	285,407
19		<b>Total Equity</b>		\$ 7,891,114	\$ 8,968,945	\$ 8,991,050	\$ 9,190,529	\$ 9,576,094
20								
21								
22		<b>Liabilities &amp; Deferred Credits</b>						
23		Advances in Aid of Construction	(f)	125,000	1,149,145	2,183,245	3,199,612	4,203,273
24		Contributions in Aid of Construction						
25		Construction	(g)	125,000	350,000	607,500	845,000	1,095,000
26		Less: Amortization	(h)	(1,250)	(6,000)	(15,575)	(30,100)	(49,500)
27		Customer Deposits	(i)	-	-	-	-	-
28		Meter Deposits		-	-	-	-	-
29		Long-Term Debt		-	-	-	-	-
30								
31		<b>Total Liabilities and Deferred Credits</b>		248,750	1,493,145	2,775,170	4,014,512	5,248,773
32								
33								
34								
35		<b>Total Equity &amp; Liab.</b>		\$ 8,139,864	\$ 10,462,090	\$ 11,766,220	\$ 13,205,042	\$ 14,824,868
36		(a) Plant Additions (See Schedules 1.1 and 1a)						
37		(b) Depreciation Computations (See Schedule 1a)						
38		(c) Change in cash (Please Schedule 3)						
39		(d) Common Stock issuance and or repurchase. (See Schedule 1b)						
40		(e) Profit or loss from operations (See Schedule 2)						
41		(f) Advances in Aid of Construction (See Schedule 1c)						
42		(g) Contributions in Aid of Construction (See Schedule 1e)						
43		(h) Amortization of Contributions in Aid of Construction, if applicable (See Schedule 1e)						
44		(i) Security deposits (2 times average bill)						

**Willow Springs Utility Company**  
Plant Additions List by Year  
Plant Addition Summary Page

Exhibit  
Schedule 1.1  
Summary Page  
Witness: Kozoman

Line No.		<u>Year 1</u>	<u>Year 2</u>	<u>Year 3</u>	<u>Year 4</u>	<u>Year 5</u>	<u>Totals</u>
1	351 Organization	25,000	-	-	-	-	25,000
2	352 Franchises	-	-	-	-	-	-
3	353 Land and Land Rights	-	-	-	-	-	-
4	354 Structures and Improvements	-	-	-	-	-	-
5	355 Power Generation Equipment	-	-	-	-	-	-
6	360 Collection sewers -Force	-	-	-	-	-	-
7	361 Collection Sewers - Gravity (AIAC)	1,158,438	613,500	639,000	660,000	690,000	3,760,938
8	362 Special Collecting Structures	-	468,750	-	-	-	468,750
9	363 Services to customers - Residential	25,000	200,000	200,000	200,000	200,000	825,000
10	363 Services to customers - None Resident	-	-	-	-	-	-
11	364 Flow measuring Devices	-	-	-	-	-	-
12	365 Flow measuring Installations	-	-	-	-	-	-
13	366 Reuse Services	-	-	-	-	-	-
14	367 Reuse Meters and Meter Install	-	-	-	-	-	-
15	370 Receiving Wells	-	-	-	-	-	-
16	371 Pumping Equipment	-	250,000	-	-	-	250,000
17	374 Reuse Distribution Reservoirs	457,500	-	-	-	-	457,500
18	375 Reuse Transmission and Distrib	-	908,438	-	-	-	908,438
19	380 Treatment and Disposal Equipment*	6,250,000	-	-	-	-	6,250,000
20	381 Plant Sewers	-	-	-	-	-	-
21	382 Outfall Sewer Lines	-	-	-	-	-	-
22	389 Other Plant and Miscellaneous	-	-	-	-	-	-
23	390 Office Furniture and Equipment	5,000	-	-	-	-	5,000
24	391 Transportation Equipment	25,000	-	-	-	-	25,000
25	392 Stores Equipment	-	-	-	-	-	-
26	393 Tools, Shop and Garage Equipme	-	-	-	-	-	-
27	394 Laboratory Equipment	-	-	-	-	-	-
28	395 Power Operated Equipment	-	-	-	-	-	-
29	396 Communication Equipment	-	-	-	-	-	-
30	397 Miscellaneous Equipment	-	-	-	-	-	-
31	398 Other Tangible Plant	-	-	-	-	-	-
32	Totals	7,945,938	2,440,688	839,000	860,000	890,000	12,975,625
33							
34							
35							

Willow Springs Utility Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 1  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Contingencies Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance
1					25,000		25,000			25,000	
2		With Treatment Plant Depreciation computed on Percent of Capacity									
3											
4	351	Organization		0.00%							
5	352	Franchises		0.00%							
6	353	Land and Land Rights		0.00%							
7	354	Structures and Improvements		3.33%							
8	355	Power Generation Equipment		5.00%							
9	356	Collection Sewers - Force		2.00%							
10	361	Collection Sewers - Gravity (AIAC)		2.00%	926,750	231,688	1,158,438	1,158,438	11,584	1,158,438	11,584
11	362	Special Collecting Structures		2.00%							
12	363	Services to customers - Residential		2.00%	20,000	5,000	25,000	25,000	250	25,000	250
13	363	Services to customers - None Residential		2.00%							
14	363	Services to customers - None Residential		2.00%							
15	364	Flow measuring Devices		10.00%							
16	365	Flow measuring Installations		10.00%							
17	366	Reuse Services		2.00%							
18	367	Reuse Meters and Meter Install		8.33%							
19	370	Receiving Wells		3.33%							
20	371	Pumping Equipment		12.50%							
21	374	Reuse Distribution Reservoirs		2.50%	366,000	91,500	457,500	457,500	5,719	457,500	5,719
22	375	Reuse Transmission and Distrib	100%	2.50%							
23	380	Treatment and Disposal Equipment*	0%	5.00%	5,000,000	1,250,000	6,250,000	6,250,000	3,984	6,250,000	3,984
24	381	Plant Sewers		5.00%							
25	382	Outfall Sewer Lines		3.33%							
26	389	Other Plant and Miscellaneous		6.67%							
27	390	Office Furniture and Equipment		6.67%	5,000		5,000	5,000	167	5,000	167
28	391	Transportation Equipment		20.00%	25,000		25,000	25,000	2,500	25,000	2,500
29	392	Stores Equipment		4.00%							
30	393	Tools, Shop and Garage Equipme		5.00%							
31	394	Laboratory Equipment		10.00%							
32	395	Power Operated Equipment		5.00%							
33	396	Communication Equipment		10.00%							
34	397	Miscellaneous Equipment		10.00%							
35	398	Other Tangible Plant		5.00%							
36											
37											
38		Less Amortization of CIAC (Services)									
39											
40		Totals			\$ 6,367,750	\$ 1,578,188	\$ 7,945,938	\$ 7,945,938	\$ 24,204	\$ 7,945,938	\$ 24,204
41											
42		Composite Rate with 1/2 yr convention									
43											
44											
45		Licenses, Taxes, Permits									
46		Engineering and Contingency									
47		Total			\$	\$					
48											
49		*Capacity Adjustment to Depreciation Expense -									
50		(Requires an Accounting Order)									
51		Customer connections			51						
52		Capacity (in customer connections)			2,000						
53		Capacity Factor			0.0255						
							0.0000				

0.30%

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
Customer connections 51  
Capacity (in customer connections) 2,000  
Capacity Factor 0.0255

Exhibit  
Schedule 1a  
Page 2  
Witness: Kozoman

Page 2  
Witness: Kozoman

Line No.

Year 2

[illegible]

1.46%

\$		\$

460  
2,000  
0.2300

Willow Springs Utility Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 3  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Contingencies Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance
3											
4	351	Organization		0.00%						25,000	
5	352	Franchises		0.00%							
6	353	Land and Land Rights		0.00%							
7	354	Structures and Improvements		3.33%							
8	355	Power Generation Equipment		5.00%							
9	360	Collection sewers -Force		2.00%							
10	361	Collection Sewers - Gravity (AIAC)		2.00%	639,000		639,000	639,000	41,829	2,410,938	82,717
11	362	Special Collecting Structures		2.00%					9,375	468,750	14,063
12	363	Services to customers - Residential		2.00%	160,000	40,000	200,000	200,000	6,500	425,000	9,250
13	363	Services to customers - None Residential		2.00%							
14	364	Flow measuring Devices		10.00%							
15	365	Flow measuring Installations		10.00%							
16	366	Reuse Services		2.00%							
17	366	Reuse Meters and Meter Install		8.33%							
18	367	Receiving Wells		3.33%							
19	370	Pumping Equipment		12.50%							
20	371	Reuse Distribution Reservoirs		2.50%					31,250	250,000	46,875
21	374	Reuse Transmission and Distrib	100%	2.50%					11,438	457,500	28,594
22	375	Treatment and Disposal Equipment*	0%	5.00%					22,711	908,438	34,066
23	380	Plant Sewers		5.00%					138,438	6,250,000	214,297
24	381	Outfall Sewer Lines		3.33%							
25	382	Other Plant and Miscellaneous		6.67%							
26	389	Office Furniture and Equipment		6.67%					334	5,000	834
27	390	Transportation Equipment		20.00%					5,000	25,000	12,500
28	391	Stores Equipment		4.00%							
29	392	Tools, Shop and Garage Equipme		5.00%							
30	393	Laboratory Equipment		10.00%							
31	394	Power Operated Equipment		5.00%							
32	395	Communication Equipment		10.00%							
33	396	Miscellaneous Equipment		10.00%							
34	397	Other Tangible Plant		5.00%							
35	398										
36											
37											
38		Less Amortization of CIAC (Services)									
39											
40		Totals			\$ 799,000	\$ 40,000	\$ 839,000	\$ 839,000	\$ 266,873	\$ 11,225,625	\$ 443,195
41		Composite Rate with 1/2 yr convention									
42											
43											
44											
45		Licenses, Taxes, Permits									
46		Engineering and Contingency									
47		Total			\$ -	\$ -					
48											
49		*Capacity Adjustment to Depreciation Expense -									
50		(Requires an Accounting Order)									
51		Customer connections			886						
52		Capacity (in customer connections)			2,000						
53		Capacity Factor			0.4430						

2.38%

\*Capacity Adjustment to Depreciation Expense -  
(Requires an Accounting Order)  
Customer connections  
Capacity (in customer connections)  
Capacity Factor

Willow Springs Utility Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 4  
Witness: Kozoman

Line No.	Account	Description	With Treatment Plant Depreciation computed on Percent of Capacity					Contingencies		Year	
			CIAC Spread	Depreciation Rate	Estimate	Engineering Permits, Etc.	Gross Amt	Additions	Depreciation*	Balance	A/D Balance
1	351	Organization		0.00%						\$ 25,000	\$ -
2	352	Franchises		0.00%							-
3	353	Land and Land Rights		0.00%							-
4	354	Structures and Improvements		3.33%							-
5	355	Power Generation Equipment		5.00%							-
6	356	Collection sewers - Force		2.00%							-
7	357	Collection Sewers - Gravity (AIAC)		2.00%	660,000		660,000	660,000	54,819	3,070,938	137,536
8	358	Special Collecting Structures		2.00%					9,375	468,750	23,438
9	359	Services to customers - Residential		2.00%	160,000	40,000	200,000	200,000	10,500	625,000	19,750
10	360	Services to customers - None Residential		2.00%							-
11	361	Flow measuring Devices		10.00%							-
12	362	Flow measuring Installations		10.00%							-
13	363	Reuse Services		2.00%							-
14	364	Reuse Meters and Meter Install		8.33%							-
15	365	Receiving Wells		3.33%							-
16	366	Pumping Equipment		12.50%					31,250	250,000	78,125
17	367	Reuse Distribution Reservoirs		2.50%					11,438	457,500	40,031
18	368	Reuse Transmission and Distrib	100%	2.50%					22,711	908,438	56,777
19	369	Treatment and Disposal Equipment*	0%	5.00%					207,188	6,250,000	421,484
20	370	Plant Sewers		5.00%							-
21	371	Outfall Sewer Lines		3.33%							-
22	372	Other Plant and Miscellaneous		6.67%							-
23	373	Office Furniture and Equipment		6.67%					334	5,000	1,167
24	374	Transportation Equipment		20.00%					5,000	25,000	17,500
25	375	Stores Equipment		4.00%							-
26	376	Tools, Shop and Garage Equipme		5.00%							-
27	377	Laboratory Equipment		10.00%							-
28	378	Power Operated Equipment		5.00%							-
29	379	Communication Equipment		10.00%							-
30	380	Miscellaneous Equipment		10.00%							-
31	381	Other Tangible Plant		5.00%							-
32	382	Less Amortization of CIAC (Services)									-
33	383	Totals			\$ 820,000	\$ 40,000	\$ 860,000	\$ 860,000	\$ 352,613	\$ 12,085,625	\$ 795,808
34	384	Composite Rate with 1/2 yr convention									2.92%
35	385	Licenses, Taxes, Permits									
36	386	Engineering and Contingency									
37	387	Total									
38	388	*Capacity Adjustment to Depreciation Expense -									
39	389	(Requires an Accounting Order)									
40	390	Customer connections									
41	391	Capacity (in customer connections)									
42	392	Capacity Factor									

\$ 1,326  
2,000  
0.6630

Willow Springs Utility Company  
Plant  
Projected Years

Exhibit  
Schedule 1a  
Page 5  
Witness: Kozoman

Line No.	Account	Description	CIAC Spread	Depreciation Rate	Estimate	Contingencies Engineering Permits, Etc.	Gross Amt \$	Additions \$	Depreciation* \$	Balance \$	AID Balance \$
1	351	Organization		0.00%						25,000	
2	352	Franchises		0.00%							
3	353	Land and Land Rights		0.00%							
4	354	Structures and Improvements		3.33%							
5	355	Power Generation Equipment		5.00%							
6	356	Collection sewers - Force		2.00%							
7	357	Collection Sewers - Gravity (AIAC)		2.00%	690,000		690,000	690,000	68,319	3,760,938	205,854
8	358	Special Collecting Structures		2.00%					9,375	468,750	32,813
9	359	Services to customers - Residential		2.00%	160,000	40,000	200,000	200,000	14,500	825,000	34,250
10	360	Services to customers - None Residential		2.00%							
11	361	Flow measuring Devices		10.00%							
12	362	Flow measuring Installations		10.00%							
13	363	Reuse Services		2.00%							
14	364	Reuse Meters and Meter Install		8.33%							
15	365	Receiving Wells		3.33%							
16	366	Pumping Equipment		12.50%					31,250	250,000	109,375
17	367	Reuse Distribution Reservoirs		2.50%					11,438	457,500	51,469
18	368	Reuse Transmission and Distrib		2.50%					22,711	908,438	79,488
19	369	Treatment and Disposal Equipment*	100%	5.00%					279,063	6,250,000	700,547
20	370	Plant Sewers		5.00%							
21	371	Outfall Sewer Lines		3.33%							
22	372	Other Plant and Miscellaneous		6.67%							
23	373	Office Furniture and Equipment		6.67%					334	5,000	1,501
24	374	Transportation Equipment		20.00%					5,000	25,000	22,500
25	375	Stores Equipment		4.00%							
26	376	Tools, Shop and Garage Equipme		5.00%							
27	377	Laboratory Equipment		10.00%							
28	378	Power Operated Equipment		5.00%							
29	379	Communication Equipment		10.00%							
30	380	Miscellaneous Equipment		10.00%							
31	381	Other Tangible Plant		5.00%							
32	382										
33	383										
34	384										
35	385										
36	386										
37	387										
38	388										
39	389										
40	390										
41	391										
42	392										
43	393										
44	394										
45	395										
46	396										
47	397										
48	398										
49		Less Amortization of CIAC (Services)									
50		Totals									
51		Composite Rate with 1/2 yr convention									
52		Licenses, Taxes, Permits									
53		Engineering and Contingency									
54		Total									
55		*Capacity Adjustment to Depreciation Expense - (Requires an Accounting Order)									
56		Customer connections									
57		Capacity (in customer connections)									
58		Capacity Factor									

\$	850,000	\$	40,000	\$	890,000	\$	890,000	\$	441,988	\$	12,975,625	\$	1,237,797
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3.41%

\$	-
\$	-

1,786  
2,000  
0.8930

Willow Springs Utility Company  
Projected Capital Financing  
Projected Years Ended

Exhibit  
Schedule 1b  
Page 1  
Witness: Kozoman

	0	1	2	3	4	5	Totals
Plant to be Constructed (From Schedule 1.1 or 1a)	\$ -	\$ 7,945,938	\$ 2,440,688	\$ 839,000	\$ 860,000	\$ 890,000	\$ 12,975,625
Financing:							
Transmission & Distribution Lines Advanced by Builders	\$	\$ 125,000	\$ 1,025,000	\$ 1,042,500	\$ 1,037,500	\$ 1,050,000	\$ 4,280,000
Plant Installed with Customer Meter Deposits		-	-	-	-	-	-
Contributions-in-aid of Construction (Hook-up Fees)		125,000	225,000	257,500	237,500	250,000	1,095,000
Common Equity Issued for Plant Construction	-	8,000,000	1,190,688	-	-	-	9,190,688
Common Equity Issued For Working Capital	25,000	75,000	-	-	-	-	100,000
Debt Financing Issued for Plant Construction							
Internal Cash Used for Plant Additions				-	-	-	-
Total Financing	\$ 25,000	\$ 8,325,000	\$ 2,440,688	\$ 1,300,000	\$ 1,275,000	\$ 1,300,000	\$ 14,665,688

**Willow Springs Utility Company**  
**Schedule of Developer Advances and Refunds**  
**Projected Years**

Exhibit  
Schedule 1c  
Page 1  
Witness: Kozoman

Line No.	Year				
	0	1	2	3	4
5	<b>Developer Advances Collected</b>				
6		\$ 125,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
7			25,000	37,500	37,500
8				5,000	50,000
10		\$ -	\$ 125,000	\$ 1,025,000	\$ 1,042,500
11					\$ 1,037,500
12		\$ -	\$ 125,000	\$ 1,150,000	\$ 2,192,500
13					\$ 3,230,000
14					\$ 4,280,000
15	<b>Developer Advances Refunded (a)</b>				
16				855	8,400
17					21,133
18					46,339
21		\$ -	\$ -	\$ 855	\$ 8,400
22					\$ 21,133
23		\$ -	\$ -	\$ 855	\$ 9,255
24					\$ 30,388
25		\$ -	\$ 125,000	\$ 1,149,145	\$ 2,183,245
26					\$ 3,199,612
27					\$ 4,203,273
28					
29					
30					
31					

5% of Revenue from Customers served by line extension

**Willow Springs Utility Company**  
**Schedule of Meter Deposits and Refunds**  
**Projected Years**

Exhibit  
Schedule 1d  
Page 1  
Witness: Kozoman

**Schedule Not Used**

Line

No.

1  
2  
3  
4  
5  
6  
7  
8  
9  
10  
11  
12  
13  
14  
15  
16  
17  
18  
19  
20  
21  
22  
23  
24  
25  
26  
27  
28  
29  
30

Year					
0	1	2	3	4	5

**Service Line and Meter Installations**

Residential  
Commercial  
School

Total Collected

Cummulative Collected

**Service Line and Meter Installations Refunded (a)**

Meter Deposits from Year 1  
Meter Deposits from Year 2  
Meter Deposits from Year 3  
Meter Deposits from Year 4  
Meter Deposits from Year 5

Total Refunds

Cummulative Refunds

Cummulative Balance

(a) Refund Rate per Year 10%

Willow Springs Utility Company  
Schedule of Contributions-in-Aid of Construction  
Projected Years

Exhibit  
Schedule 1e  
Page 1  
Witness: Kozoman

Amortization Shown on Schedule 1A

Line No. 1 2 3 4 5 6 7 8 9 10 11 12 13 14 15 16 17 18 19 20 21 22 23 24 25 26 27 28

	Year					
	0	1	2	3	4	5
<u>Contributions</u>						
Residential		\$ 125,000	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Commercial			25,000	37,500	37,500	50,000
School		-	-	20,000	-	-
Total Collected	\$ -	\$ 125,000	\$ 225,000	\$ 257,500	\$ 237,500	\$ 250,000
Cummulative Collected	\$ -	\$ 125,000	\$ 350,000	\$ 607,500	\$ 845,000	\$ 1,095,000
<u>Amortization</u>						
Depreciation Rate (Half year convention used)	2.00%	2.00%	2.00%	2.00%	2.00%	2.00%
Amortization	\$ -	\$ 1,250	\$ 4,750	\$ 9,575	\$ 14,525	\$ 19,400
Cummulative Amortization	\$ -	\$ 1,250	\$ 6,000	\$ 15,575	\$ 30,100	\$ 49,500
Cummulative Balance	\$ -	\$ 123,750	\$ 344,000	\$ 591,925	\$ 814,900	\$ 1,045,500

Willow Springs Utility Company  
Projected Statements of Income  
For the 12 Months Ended

Exhibit  
Schedule 2  
Page 1  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1		\$ 119,812	\$ 281,482	\$ 536,314	\$ 790,816	\$ 1,040,566
2	<b>Total estimated Revenues</b>					
3						
4	<b>Expenses</b>					
5	Pumping Power - All	37,659	43,254	54,297	65,587	76,383
6	Wages	50,000	51,500	53,045	54,636	56,275
7	Payroll Burden	16,500	16,995	17,505	18,030	18,571
8	Purchased Water at \$1.50 per 1,000 gallons	121,749	103,097	66,287	28,656	-
9	Permits (Not Capitalized to Plant)	5,000	5,000	5,000	5,000	5,000
10	Licenses (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
11	Engineering (Not Capitalized to Plant)	2,000	2,060	2,122	2,185	2,251
12	Chemicals	6,000	9,000	12,000	15,000	18,000
13	Supplies	4,000	5,000	6,000	7,000	8,000
14	Repairs	2,000	6,000	9,000	12,000	15,000
15	Insurance (b)	4,000	4,120	4,244	4,371	4,502
16	Office Expense	1,000	3,000	5,000	7,000	9,000
17	Billing, Postage, Operations, Management: Done at Water Utility	-	-	-	-	-
18	Contract Labor	2,000	2,060	2,122	2,185	2,251
19	Administrative Services				19,521	27,036
20	Rentals	3,000	3,090	3,183	3,278	3,377
21	Depreciation net of Amortization of CIAC (From Schedules 1a & 1e)	22,954	147,368	257,298	338,088	422,588
22	Vehicles (b)	2,500	2,575	2,652	2,732	2,814
23	Legal & Accounting (b)	12,000	12,360	12,731	13,113	13,506
24	Miscellaneous Expenses (b) (e)	2,400	2,472	2,546	2,623	2,701
25	Testing (d)	255	2,300	4,430	6,630	8,930
26	Income Taxes	50	50	50	50	50
27	Property Taxes (f)	7,006	-	-	-	-
28						
29	<b>Total Expense</b>	\$ 304,074	\$ 423,361	\$ 521,633	\$ 609,870	\$ 698,487
30						
31	<b>Operating income (loss)</b>	\$ (184,261)	\$ (141,879)	\$ 14,681	\$ 180,946	\$ 342,080
32	Less:					
33	Interest (Expense)Income on Cash Balance (c)					
34	Interest Expense Long-term Debt (c)	375	4,022	7,424	18,534	43,485
35	<b>Net Income</b>	\$ (183,886)	\$ (137,857)	\$ 22,105	\$ 199,480	\$ 385,565
36	Income Tax assumes utilization of loss carryforwards. Income Tax computed on book basis.					
37	(a) Per customer per month					
38	(b) Annual Inflation of:					
39	(c) If Applicable					
40	(d) Based on Testing Cost of \$5.00 Per Year Per Customer					
41	(e) Miscellaneous Expenses of \$200 per month					
42	(f) See Property Tax Calculation					

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 1

Witness: Kozoman

Line No.	Year				
	1	2	3	4	5
3 Residential					
4 5/8 Inch	\$ 17,100	\$ 168,000	\$ 417,600	\$ 667,200	\$ 916,800
5 Establishment Fees *	1,500	12,000	12,000	12,000	12,000
6 Total Residential Revenues	18,600	180,000	429,600	679,200	928,800
8 Commercial					
9 5/8 Inch	-	-	2,526	4,992	4,992
10 Establishment Fees *	-	300	450	450	600
11 Total Commercial Revenues	-	300	2,976	5,442	5,592
13 Effluent Revenues, if Applicable	101,212	101,182	101,182	101,182	101,182
14 Establishment Fees *					
16 Other Revenues					
17 School	-	-	2,526	4,992	4,992
18 Establishment Fees *			30		
19 Total School Revenues	-	-	2,556	4,992	4,992
21 Total	\$ 119,812	\$ 281,482	\$ 536,314	\$ 790,816	\$ 1,040,566

\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Utility Company  
Customer Counts  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 2  
Witness: Kozoman

Line No.		Year					Totals
		1	2	3	4	5	
2	<u>Year Ended</u>						
3	<u>Residential</u>						
4	5/8 Inch	50	450	850	1,250	1,650	1,650
6	<u>Commercial</u>						
7	5/8 Inch	-	10	35	75	135	135
8	1 Inch	-	-	-	-	-	-
9	2 Inch	-	-	-	-	-	-
11	<u>Irrigation</u>						
13	<u>School 2 Inch</u>	-	-	1	1	1	1
15	<u>Effluent Sales</u>	1					
17	Total	51	460	886	1,326	1,786	1,787

Customer Count for Computing Revenues (Uses 1/2 Year Convention)

		Year					
		1	2	3	4	5	
21	<u>Year Ended</u>						
22	<u>Residential</u>						
23	5/8 Inch	25.00	250.00	650.00	1,050.00	1,450.00	1,450.00
25	<u>Commercial</u>						
26	5/8 Inch	-	5.00	17.50	32.50	50.00	50.00
27	1 Inch	-	-	-	-	-	-
28	2 Inch	-	-	-	-	-	-
30	<u>Irrigation</u>						
32	<u>School 2 Inch</u>	-	-	0.50	1.00	1.00	1.00
34	<u>Effluent Sales</u>	0.50	1	1	1	1	1.00
36	Total	25.50	256.00	669.00	1,084.50	1,502.00	1,502.00

Willow Springs Utility Company  
Gallons Sold (1,000's)  
For Projected Years Ended

Exhibit  
Schedule 2a  
Page 3  
Witness: Kozoman

Line No.		Year				
		<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
2	<u>Year Ended</u>					
3	<u>Residential</u>					
4	5/8 Inch	1,260	12,600	32,760	52,920	73,080
5						
6	<u>Commercial</u>					
7	5/8 Inch	-	1,095	3,833	7,118	10,950
8	1 Inch	-	-	-	-	-
9	2 Inch	-	-	-	-	-
10						
11	<u>Irrigation</u>	82,426	82,426	82,426	82,426	82,426
12						
13	<u>School 2 Inch</u>	-	-	1,643	3,285	3,285
14						
15						
16						
17	Total	83,686	96,121	120,661	145,749	169,741
18						
19	Commercial & School	-	1,095	5,475	10,403	14,235
20						
21						
22						

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 4  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
1	<u>Projected Customers / Residential 5/8 Inch Meter</u>					
2						
3						
4						
5						
6	Estimated connections installed by year end					
7	(Cumulative)	50	450	850	1,250	1,650
8	Estimated connection installed during the year	50	400	400	400	400
9						
10	1/2 Year Convention for Revenue	25.00	250.00	650.00	1,050.00	1,450.00
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*	1,260	12,600	32,760	52,920	73,080
15	Assuming average usage per month of:					
16	Daily Gallons	3,452	34,521	89,753	144,986	200,219
17	<u>Residential:</u>					
18	Monthly Mins.	\$ 15,600	\$ 156,000	\$ 405,600	\$ 655,200	\$ 904,800
19						
20	For Usage Up to: (Gallons)					
21	\$ 449.67					
22	Commodity Rate & Revenue					
23	Commodity Rate & Revenue					
24	Usage over:					
25	1 \$ -					
26	Commodity Rate & Revenue					
27	<u>Average Bill for Residential Customer:</u>					
28	\$ 52.00					
29						
30						
31						
32						
33	Establishment Fees at:					
34	Total Revenue	\$ 1,500	\$ 12,000	\$ 12,000	\$ 12,000	\$ 12,000
35		\$ 17,100	\$ 168,000	\$ 417,600	\$ 667,200	\$ 916,800
36						
37						
38						
39						
40						
41						
42						

Tier 1  
Tier 2  
Tier 3

Average Bill for Residential Customer:  
\$ 52.00

Establishment Fees at: Total Revenue  
\$ 30.00 \*\*  
230.14 = Gallons per day  
30.42 = Days in Average Month  
7,000 = Average Usage per month

(A) Approximately 60% returned as wastewater  
\*\* Collected at either Water or Wastewater Utility, but not both.

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 5  
Witness: Kozoman

Line No.	Projected Customers / School 2 Inch Meter:	Year				
		1	2	3	4	5
1						
2						
3						
4						
5						
6	Estimated connections installed by year end			1		
7	(Cumulative)			1	1	1
8	Estimated connection installed during the year			1		
9						
10	1/2 Year Convention for Revenue	-	-	0.50	1.00	1.00
11						
12	<u>Projected Revenue</u>					
13						
14						
15	Annual gallonage delivered (in 1,000's)*			1,643	3,285	3,285
16	Assuming average usage per month of:					
17	Daily Gallons	456,250	273,750 (A)			
18	School:					
19	Monthly Mins. 2 Inch Meter	\$ 416.00	Minimum Charge	\$	\$	\$
20	For Usage Up to: (Gallons)					
21	-	\$	Commodity Rate & Revenue	Tier 1		
22	-	\$	Commodity Rate & Revenue	Tier 2		
23	Usage over:	1	\$	Commodity Rate & Revenue	Tier 3	
24						
25						
26	Establishment Fees at					
27	Total Revenue	\$ 30.00 **	\$	\$	\$	\$
28						
29						
30						
31						
32	(A) Approximately 60% returned as wastewater					
33	** Collected at either Water or Wastewater Utility, but not both.					

Assumed that water usage was based on number of students (750) times usage of 20 gallons per student, per day, times average number of days in a month.  
Assumed 365 day usage. Further assumed that other water usage (landscape, etc.) would account for days when there was no school (such as weekends & holidays)

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 6  
Witness: Kozoman

Line No.	Projected Customers / Commercial 5/8 Inch Meter	Year				
		1	2	3	4	5
6	Estimated connections installed by year end (Cumulative)	0	10	25	40	60
7		0	10	35	75	135
8	Estimated connection installed during the year		10	15	15	20
9						
10	1/2 Year Convention for Revenue	-	5.00	17.50	32.50	50.00
11						
12	<b>Projected Revenue</b>					
13						
14	Annual gallonage delivered (in 1,000's)*			219,000		
15	Assuming average usage per month of:		30,417	18,250 (A)		
16	Daily Gallons			1,000.00		
17	<b>Commercial</b>					
18	Monthly Mins. 5/8 Inch Meter	\$	52.00	Minimum Charge		
19	For Usage Up to: (Gallons)					
20	-	\$	449.67	Commodity Rate & Revenue	Tier 1	
21	-	#REF!		Commodity Rate & Revenue	Tier 2	
22	Usage over:	1	\$	-	Commodity Rate & Revenue	Tier 3
23						
24						
25						
26						
27	Establishment Fees at					
28	Total Revenue	\$	-	\$	30.00 **	\$
29						
30						
31						
32						
33	(A) Approximately 60% returned as wastewater					
34	** Collected at either Water or Wastewater Utility, but not both.					

1,000 = Gallons per day  
30.42 = Days in Average Month  
30,417 = Average Usage per month

\$	-	\$	300	\$	450	\$	600
\$	-	\$	3,420	\$	11,370	\$	31,800

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 7  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
<u>Projected Customers / Commercial 1 Inch Meter</u>						
6	Estimated connections installed by year end					
7	(Cumulative)					
8	Estimated connection installed during the year					
9						
10	1/2 Year Convention for Revenue	-	-	-	-	-
11						
12	<u>Projected Revenue</u>					
13						
14	Annual gallonage delivered (in 1,000's)*					
15	Assuming average usage per month of:					
16	Daily Gallons					
17	Commercial					
18	Monthly Mins. 1 Inch Meter	\$	\$	\$	\$	\$
19	For Usage Up to: (Gallons)					
20	-	\$	449.67	Commodity Rate & Re\ Tier 1		
21	-	#REF!	Commodity Rate & Re\ Tier 2			
22	Usage over:					
23	1	\$	-	Commodity Rate & Re\ Tier 3		
24						
25	Establishment Fees at					
26	Total Revenue	\$	\$	\$	\$	\$
27						
28	657.53 = Gallons per day					
29	30.42 = Days in Average Month					
30	20,000 = Average Usage per month					
31						
32	** Collected at either Water or Wastewater Utility, but not both.					

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 9  
Witness: Kozoman

Line No.		Year				
		1	2	3	4	5
7	<b>Projected Revenue</b>					
8	Customers					
9	Annual gallonage delivered (in 1,000's)*	82,426	82,426	82,426	82,426	82,426
10	Annual gallonage delivered (in Acre Feet)*	252.96	252.96	252.96	252.96	252.96
11						
12						
13	Charge per Acre Foot	\$ 101,182	\$ 101,182	\$ 101,182	\$ 101,182	\$ 101,182
14						
15						
16	Price per 1,000 gallons =	\$ 1.23				
17						
18						
19						
20	Establishment Fees at					
21		\$ 30				
22	Total Effluent Revenue	\$ 101,212	\$ 101,182	\$ 101,182	\$ 101,182	\$ 101,182
23						
24	* If Applicable					
25	** Collected at either Water or Wastewater Utility, but not both.					
26						
27						

Willow Springs Utility Company  
Schedule of Projected Revenues  
For the Years Ended

Exhibit  
Schedule 2a  
Page 8  
Witness: Kozoman

Line No.		Year			
		1	2	3	4
1					5
2	<u>Projected Customers / Commercial 2 Inch Meter</u>				
3					
4					
5					
6	Estimated connections installed by year end				
7	(Cumulative)				
8	Estimated connection installed during the year				
9					
10	1/2 Year Convention for Revenue				
11					
12	<u>Projected Revenue</u>				
13					
14	Annual gallonage delivered (in 1,000's)*				
15	Assuming average usage per month of:				
16	Daily Gallons				
17	Commercial				
18	Monthly Mins. 2 Inch Meter \$				
19	For Usage Up to: (Gallons)				
20	- \$				
21	- #REF!				
22	Usage over:				
23	1 \$				
24					
25	Establishment Fees at				
26	Total Revenue				
27					
28	986.30 = Gallons per day				
29	30.42 = Days in Average Month				
30	30,000 = Average Usage per month				
31					
32	** Collected at either Water or Wastewater Utility, but not both.				

**Willow Springs Utility Company**  
**Schedule for the Computation of Projected**  
**Property Taxes for the Years Ended**

Exhibit  
Schedule 2b  
Page 1  
Witness: Kozoman

Line

No.

	Year				
	1	2	3	4	5
Revenue Component 1	\$ 119,812	\$ 119,812	\$ 119,812	\$ 281,482	\$ 536,314
Revenue Component 2	119,812	119,812	281,482	536,314	790,816
Revenue Component 3	119,812	281,482	536,314	790,816	1,040,566
Average 3 years of revenue	\$ 239,625	\$ 347,405	\$ 625,073	\$ 1,072,409	\$ 1,578,465
Add:					
Construction Work in Progress at 10%	0	0	0	0	0
Deduct:					
Book Value of Transportation Equipment	4,833	4,500	3,833	3,833	3,499
Full Cash Value	\$ 234,792	\$ 342,905	\$ 621,240	\$ 1,068,576	\$ 1,574,966
Times Assessment Ratio	24.50%	24.00%	23.50%	23.00%	22.50%
Assessed Value	\$ 57,524	\$ 82,297	\$ 145,991	\$ 245,773	\$ 354,367
Property Tax Rate (Statewide Rate Used)	12.18%	12.18%	12.18%	12.18%	12.18%
<b>Computed Property Tax</b>	<b>\$ 7,006</b>	<b>\$ 10,024</b>	<b>\$ 17,782</b>	<b>\$ 29,935</b>	<b>\$ 43,162</b>

23  
24  
25  
26

Willow Springs Utility Company  
Projected Cash Flows  
For the Years Ended

Exhibit  
Schedule 3  
Page 1  
Witness: Kozoman

Line No.	Year				
	0	1	2	3	5
<b>Cash from Operations</b>					
Beginning Cash Balance	\$ -	\$ 25,000	\$ 243,131	\$ 251,787	\$ 983,790
Income from Operations (From Income Statement, Schedule 2)		(183,886)	(137,857)	22,105	199,480
Add Depreciation expense (From Income Statement, Schedule 2)		22,954	147,368	257,298	338,088
<b>Total Cash From Operations</b>	\$ -	\$ (160,932)	\$ 9,511	\$ 279,403	\$ 537,568
<b>Cash from Financing</b>					
Deposits (security) collected	\$ -	\$ -	\$ -	\$ -	\$ -
Long-Term Debt	-	-	-	-	-
Common Equity	25,000	8,075,000	1,190,688	-	-
Advances in Aid of Const. (From Schedule 1c)	-	125,000	1,025,000	1,042,500	1,037,500
Contribution in Aid of Const. (Hook-up Fees)	-	125,000	225,000	257,500	237,500
Meter Deposits Collected (From Schedule 1d)	-	-	-	-	-
<b>Total Cash from Financing</b>	\$ 25,000	\$ 8,325,000	\$ 2,440,688	\$ 1,300,000	\$ 1,275,000
<b>Uses of Cash:</b>					
Long-term debt Repayment					
Advances Refunded (From Schedule 1c)	\$ -	\$ -	\$ 855	\$ 8,400	\$ 21,133
Meter Deposit Refunded (From Schedule 1d)	-	-	-	-	-
Deposit (Security) refunded	-	-	-	-	-
Capital Improvements - Plant (From Schedule 1.1)	-	7,945,938	2,440,688	839,000	860,000
<b>Total Cash Uses</b>	\$ -	\$ 7,945,938	\$ 2,441,543	\$ 847,400	\$ 881,133
<b>Ending Cash Balance (Line 3 + 9 + 21 - 34)</b>	\$ 25,000	\$ 243,131	\$ 251,787	\$ 983,790	\$ 1,915,225
Interest Income: Assuming Earning Equal to Inflation Factor on Average Cash Balance					
Average Cash Balance (Line 4 + Line 36)/2	\$ 12,500	\$ 134,065	\$ 247,459	\$ 617,788	\$ 1,449,508
Interest Earned (Assumed Inflation Rate times Average Ba	\$ 375	\$ 4,022	\$ 7,424	\$ 18,534	\$ 43,485
					\$ 2,501,132
					\$ 75,034

Willow Springs Utility Company  
REPRESENTATIVE RATE SCHEDULE

Exhibit  
Schedule 4  
Page 1  
Witness: Kozoman

LINE NO.	<u>PROPOSED RATES</u>	
	<u>METER SIZE</u>	<u>MONTHLY CHARGE</u>
1		
2		
3	MONTHLY MINIMUMS:	
4	5/8 x 3/4 And	\$ 52.00
5	3/4	\$ 52.00
6	1	\$ 130.00
7	1 1/2	\$ 260.00
8	2	\$ 416.00
9	3	\$ 832.00
10	4	\$ 1,300.00
11	6	\$ 2,600.00
12	8	\$ 4,160.00
13	10	\$ 5,980.00
14	12	\$ 11,180.00
15		
16	Flat Rate Based on Meter Size	
17		
18	Effluent:	
19	Per 1,000 Gallons	\$ 1.38
20	Per Acre Foot	\$ 449.67

**Willow Springs Utility Company  
REPRESENTATIVE RATE SCHEDULES  
STATEMENT OF CHARGES**

Exhibit  
Schedule 5  
Page 1  
Witness: Kozoman

LINE

NO.

Proposed

1	A. Establishment of Service	\$ 30.00
2	Establishment of Service, after hours	\$ 50.00
3	(Charged at either Water or Wastewater Utility, but not both)	
4	B. Re-establishment of Service	see (a)
5	C. Reconnection of service	\$ 50.00
6	D. After hours service charge, per hour	\$ 50.00
7	E. Minimum Deposit Two Times Monthly Bill	
8	F. Charge for NSF Check	\$ 35.00
9	G. Late payment charge for delinquent bills	
10	H. Deferred Payment Finance Charge	1.50%
11	I. Main Extension and additional facilities agreements,	@ COST (b)
12	J. All Revenue related taxes will be charged customers.	
13	K. Deferred Payment	1.50% Per Month
14	L. Late Payment	1.50% Per Month

15

16

17

18

**RULES AND REGULATIONS**

19

\* The Company has adopted the Rules and Regulation established by the Commission as the basis for its operating procedures. Arizona Corporation Commission Rules will be controlling of Company procedures, unless specific Commission Orders provide otherwise.

22

(a) Monthly minimum times months off the system

24

(b) Cost to include parts, labor, overhead, and all applicable taxes, including income tax.

25

26

(c) Plus income tax, as meter and service lines to single customer are taxable by IRS

27

Codes. Income tax will be refunded along with meter and service line charge over

28

term of refund period. Charge based on Memo from Marlin Scott, Jr. 6/30/04. Average of high and

29

low costs used.

**Willow Springs Utility Company  
REPRESENTATIVE RATE SCHEDULES  
STATEMENT OF CHARGES  
Non Refundable Hook Up Fees**

Exhibit  
Schedule 6  
Page 1  
Witness: Kozoman

Line		Hook Up
No.	Water Meter Size	Fee
1	5/8 x 3/4 Inch	\$ 2,500.00
2	3/4 Inch	3,750.00
3	1 Inch	6,250.00
4	1 1/2 Inch	6,250.00
5	2 Inch	20,000.00
6	3 Inch	40,000.00
7	4 Inch	62,500.00
8	6 Inch	125,000.00
9	8 Inch	200,000.00
10	10 Inch	287,500.00
11	12 Inch	537,500.00
12		
13	Estimated Plant at Sewer Utility	\$ 12,975,625
14	Less:	
15	Advances in Aid of Construction	(4,280,000)
16		<u>\$ 8,695,625</u>
17	Estimated Customers if Phase 1	2,000
18	Estimated Customers per Cust0mer	<u><u>\$ 4,347.81</u></u>
19		
20		

JAN-12-06 10:18

FROM: E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1609

T-394 P.01/12 F-466

**ERROL L. MONTGOMERY & ASSOCIATES, INC.**

CONSULTANTS IN HYDROGEOLOGY

1550 EAST PRINCE ROAD  
TUCSON, ARIZONA 85719 (520) 881-4912  
FAX: (520) 881-1609  
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ERROL L. MONTGOMERY, P.C.  
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DENNIS G. HALL, P.G.  
TODD KEAY, P.C.  
JAMES S. DAVIS, P.G.  
MICHAEL J. ROSKO, P.G.  
CHARLES F. BARTER, P.O. (1937-1999)  
DANIEL S. WEBER, P.G.  
LESLIE T. KATZ, P.G.

**FACSIMILE TRANSMITTAL FORM**

DATE/TIME: January 12, 2006 @ 10:05

PROJECT NO: 1228.01

# OF PAGES (INCLUDING TRANSMITTAL FORM): 12

TO: Kristen Whatley  
WESTLAND RESOURCES, INC.

FAX #: (520) 206-9518

FROM: Jim Davis

FAX #: (520) 881-1609

SENT BY: \_\_\_\_\_

PHONE #: (520) 881-4912

**REMARKS:**

Attached are copies of all available inorganic water quality data for the South Village area. Also attached are the laboratory reports for the groundwater samples obtained from the Willow Springs South Test Well #1, which has state identifier (D-8-13)27ddd and registration number 55-595277. I hope this meets your needs. We will be obtaining "New Source" samples from the Willow Springs production well to be drilled in the immediate future.

[

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Item I.3

JAN-12-06 10:18

FROM E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1609

T-394 P.02/12 F-466

TABLE 6. SUMMARY OF RESULTS OF LABORATORY CHEMICAL ANALYSES FOR COMMON CONSTITUENTS AND ROUTINE PARAMETERS FOR GROUNDWATER SAMPLES FROM WELLS IN THE STUDY AREA FOR WILLOW SPRINGS RANCH SOUTH VILLAGE PINAL COUNTY, ARIZONA

Page 1 of 3

STATE WELL NUMBER	ADWR REGISTRATION NUMBER	SAMPLE DATE	COMMON CONSTITUENTS (mg/L)												EC FIELD (µmhos/cm)	LAB EC (µmhos/cm)	pH FIELD	pH LAB	TEMP (°C)	SOURCE <sup>a</sup>	LAB <sup>b</sup>
			Cs	Mg	Ca	CO <sub>3</sub>	HCO <sub>3</sub>	Cl	SO <sub>4</sub>	NO <sub>3</sub> (as N)	NO <sub>2</sub> (as N)	NO <sub>3</sub> + NO <sub>2</sub> (as N)	F	SiO <sub>2</sub>	TDS						
10-07-12-1308		27-Apr-78	71	93	10	0.5	0	180	10	0.04	0.04	0.08	0.3	2.9	373	381	7.8	—	19	USGS	—
10-07-12-1308		17-Oct-82	—	—	—	—	—	—	—	—	—	—	0.4	—	—	—	—	—	—	GWSI	—
10-07-12-1308		15-Oct-82	152	35	89 <sup>a</sup>	—	—	—	—	—	—	—	—	0.5	50	818	—	—	—	USGS	1028
10-07-12-1308		15-Oct-82	83	20	49 <sup>a</sup>	—	—	—	—	—	—	—	0.6	36	504	769	—	—	—	USGS	1028
10-07-12-1308	644609	21-Aug-95	170	23	73	2.4	—	283.04 <sup>1</sup>	170	120	25	0.03	0.2	32	842	1340	7.8	7.7	27	USGS	80070
10-07-12-1308		29-Sep-78	—	—	—	—	—	—	—	—	—	—	0.8	—	—	—	—	—	—	USGS	—
10-07-12-1308	65473	18-Apr-81	54	23	68 <sup>a</sup>	—	—	783	66	21	6.8	—	—	0.4	26	—	7.35	—	—	USGS	—
10-07-12-1308	65478	12-Jun-78	—	—	—	—	—	—	—	—	—	—	0.7	24	—	707	7.7	—	—	USGS	—
10-07-12-1308	65478	02-Nov-84	—	—	—	—	—	—	—	—	—	—	0.5	—	—	—	7.2	—	22.5	GWSI	—
10-07-12-1308	804174	09-Oct-82	100	24	13 <sup>1</sup>	—	—	274	48	19	29	—	0.2	40	451	718	—	—	27	USGS	1028
10-07-12-1308	804174	28-Jul-85	78	19	17 <sup>1</sup>	—	—	253	23	14	14	—	0.2	38	379	539	—	—	—	USGS	1028
10-07-12-1308	804174	14-Sep-84	—	—	—	—	—	276	19	—	7.2	—	—	—	—	—	—	—	—	USGS	1028
10-07-12-1308	804174	03-Nov-86	—	—	—	—	—	276	59	—	—	—	—	—	—	—	7.2	—	—	USGS	1028
10-07-12-1308	804174	10-May-87	—	—	—	—	—	288	57	—	—	—	—	—	—	—	7.2	—	22	USGS	1028
10-07-12-1308	804174	26-Apr-73	92	33	100	5.4	0	467	78	71	6.7	0.81	0.8	61	723	1110	8	—	—	USGS	—
10-07-12-1308	804174	07-Oct-76	—	—	—	—	—	—	—	—	—	—	0.2	—	—	538	—	—	—	USGS	—
10-07-12-1308	804176	11-Mar-80	92	21	49	5.9	ND	370	36	49	—	ND	0.45	—	510	893	7.35	—	20.93	ASLS	—
10-07-12-1308	829509	27-Apr-78	88	17	20	1.8	0	385	77	21	1.5	0.04	0.3	44	384	603	7.7	—	22.2	USGS	—
10-07-12-1308		15-Oct-82	84	24	120 <sup>a</sup>	—	—	554	53	62	0.82 <sup>a</sup>	—	2	28	857	1860	—	—	—	USGS	1028
10-07-12-1308		26-Apr-73	80	24	150	2.8	0	499	53	150	0.89	0.09	0.08	54	763	1190	7.8	—	22	USGS	—
10-07-12-1308	835691	26-Apr-73	69	19	45	6.8	0	241	47	67	5.8	0.01	0.8	31	484	685	8	—	27	USGS	—
10-07-12-1308	585277	30-Jul-83	88	15	41	4.5	<5	207.4	47	69	5.1	—	0.59	48	493	635	7.68	7.85	26.4	ELM	Del Mar
10-07-12-1308		26-Apr-81	190	43	220 <sup>a</sup>	—	—	371	150	338	0.05 <sup>a</sup>	—	2.8	14	1,110	1700	—	—	—	USGS	1028
10-07-12-1308		26-Apr-81	43	12	140 <sup>a</sup>	—	—	287	87	90	0.05 <sup>a</sup>	—	0.8	23	533	832	—	—	17	USGS	1028
10-07-12-1308		10-Oct-88	58	22	34 <sup>a</sup>	—	—	300	31	17	—	—	0.3	30	349	558	—	—	—	USGS	1028
10-07-12-1308		07-Aug-80	74	23	22	1.4	—	333.06 <sup>1</sup>	19	14	—	—	4.2	42	379	618	7.4	7.5	22	USGS	80070
10-07-12-1308		07-Nov-84	—	—	—	—	—	—	—	—	—	—	0.2	—	—	395	6.8	—	—	USGS	—
10-07-12-1308	635883	02-May-81	53	26	28 <sup>a</sup>	—	—	283	23	14	4.74 <sup>a</sup>	—	0.2	46	347	546	—	—	—	USGS	1028
10-07-12-1308		26-Apr-73	75	23	28	1.5	0	346	17	14	4.4	0.01	0.3	43	406	613	7.7	—	20	USGS	—
10-07-12-1308		26-Apr-73	78	26	43	2.5	0	314	30	78	0.51	0.01	0.57	37	456	715	7.8	—	20	USGS	—
10-07-12-1308	615544	25-Apr-81	—	—	—	—	—	285	21	—	—	—	—	—	—	420	—	—	—	USGS	1028
10-07-12-1308	615544	26-Sep-78	39	13	34	1.7	—	210	26	22	—	—	0.7	31	295	464	8.4	—	26	USGS	80070
10-07-12-1308	615547	—	—	—	—	—	—	—	—	—	—	—	1.5	—	—	—	—	—	24	USGS	—
10-07-12-1308	633714	04-May-81	33	11	50 <sup>a</sup>	—	—	222	14	4.3	3.84 <sup>a</sup>	—	0.8	28	267	413	—	—	24.5	USGS	1028
10-07-12-1308	633714	26-Sep-78	—	—	—	—	—	—	—	—	—	—	0.7	—	—	—	—	—	—	USGS	—

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JAN-12-06 10:18

FROM E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1809

T-394 P.03/12 F-466

TABLE 6. SUMMARY OF RESULTS OF LABORATORY CHEMICAL ANALYSES FOR COMMON CONSTITUENTS AND ROUTINE PARAMETERS  
FOR GROUNDWATER SAMPLES FROM WELLS IN THE STUDY AREA FOR WILLOW SPRINGS RANCH SOUTH VILLAGE  
PINAL COUNTY, ARIZONA  
Page 2 of 3

STATE WELL NUMBER	ADWR REGISTRATION NUMBER	SAMPLE DATE	COMMON CONSTITUENTS (mg/L)													EC FIELD (microhm/cm)	LAB EC (microhm/cm)	PH FIELD	PH LAB	TEMP (°C)	SOURCE <sup>c</sup>	LAB <sup>d</sup>
			Ca	Mg	Na + K	CO <sub>3</sub>	HCO <sub>3</sub>	Cl	SO <sub>4</sub>	NO <sub>3</sub> (as N)	NO <sub>2</sub> (as N)	Total NO <sub>3</sub> + NO <sub>2</sub> (as N)	F	SiO <sub>2</sub>	TDS							
(D-09-12) 1708a	810473	27-Apr-73	32	17	35	3.9	4	221	17	19	0.01	<0.10	0.01	0.8	263	432	—	8.4	—	23.9	USGS	—
(D-09-12) 2080a	615644	27-Apr-73	43	27	100	1.4	0	294	81	87	0.09	<0.10	0.68	9.4	531	885	—	8.2	—	24	USGS	ASLS
(D-08-12) 2090a	615644	26-May-90	45	14	130	1.9	ND	280	93	100	—	—	0.81	2.77	800	835	870	7.83	29.28	—	ADEO	—
(D-08-12) 3100a	—	08-Oct-82	116	53	39 <sup>b</sup>	—	0	236	189	70	1.93 <sup>b</sup>	—	—	1	659	1480	—	—	—	—	USGS	1078
(D-08-12) 0700c	—	12-Oct-82	24	8.4	64 <sup>b</sup>	—	0	228	19	8.9	2.83 <sup>b</sup>	—	—	0.6	276	435	—	—	—	—	USGS	1078
(D-08-12) 1400b	—	21-Oct-82	26	12	37 <sup>b</sup>	—	0	134	28	13	7.40 <sup>b</sup>	—	—	0.5	34	254	—	—	—	—	USGS	1028
(D-08-12) 2700a	628351	27-Apr-73	44	11	28	4.2	9	207	22	7.3	5.9	<0.10	5.9	0.5	31	303	—	7.9	18.1	—	USGS	1028
(D-08-12) 3100b	—	08-Oct-82	65	51	89 <sup>b</sup>	—	0	377	37	134	18.06 <sup>b</sup>	—	—	0.8	75	715	1030	—	—	—	USGS	ASLS
(D-08-14) 2080b	628348	12-Aug-98	40	6.1	37	1.9	ND	200	13	11	—	ND	3.4	0.72	240	352	390	7.47	31.75	—	ADEO	—
(D-08-15) 1200b	633723	28-Sep-78	—	—	—	—	—	—	—	—	—	—	—	1.8	—	—	—	7.1	23	20.5	USGS	—
(D-08-15) 1200b	—	03-Nov-84	—	—	—	—	—	—	—	—	—	—	—	1.5	—	899	—	—	—	—	USGS	—
(D-08-15) 1200c	—	04-May-81	37	26	97 <sup>b</sup>	—	0	341	64	34	0.29 <sup>b</sup>	—	—	1.4	19	448	—	—	—	20.5	USGS	1078
(D-08-15) 1500d	545062	04-May-81	—	—	—	0	230	48	—	—	—	—	—	—	—	527	—	—	—	—	USGS	1078
(D-08-15) 2800d	—	07-Aug-80	180	33	17	2.4	—	467	20	62	110	—	5.6	1	44	766	1390	7.1	20	—	USGS	80020
(D-08-15) 3500b	—	07-Aug-80	110	30	64	1.7	—	427	49	77	—	—	11	1.1	26	619	1030	8	—	—	USGS	80020
(D-08-15) 3800a	819481	08-Aug-88	55	19	51 <sup>b</sup>	—	0	322	30	13	0.07 <sup>b</sup>	—	—	2	15	344	584	—	—	—	USGS	1028
(D-10-12) 1000b	816711	09-Oct-82	67	20	87 <sup>b</sup>	—	0	411	39	29	2.45 <sup>b</sup>	—	—	2.8	44	502	782	—	—	—	USGS	1028
(D-10-12) 1000b	515847	29-May-01	89	19	56	2.8	ND	339	52	39	4.2	ND	4.2	2.8	—	440	743	7.33	24.74	—	ADEO	ASLS
(D-10-13) 1200a	615717	23-Mar-82	—	—	—	—	—	—	—	—	—	—	—	0.9	—	—	339	—	—	—	USGS	—
(D-10-13) 1200a	—	15-Jun-82	33	9.3	24	3.4	—	—	—	—	—	—	2.7	0.5	30	—	386	6.7	—	—	USGS	80020
(D-10-13) 2800c	618478	16-Jun-82	43	16	38	1.2	—	—	—	—	—	—	4.4	0.6	33	395	435	8.3	—	—	USGS	80020
(D-10-13) 2800c	529347	21-Oct-82	44	5.7	—	—	0	702	6	8.8	5.1	—	—	0.2	30	224	346	—	—	—	USGS	—
(D-10-14) 0600a	628347	15-Jun-82	—	—	—	—	—	—	—	—	—	—	—	—	—	—	342	—	—	—	USGS	—
(D-10-14) 0600a	—	12-May-88	46.5	5.08	21.8	2.31	—	185	9.51	4.8	—	<0.10	2.06	0.7	31	226	353	7.2	16.5	—	USGS	80020
(D-10-14) 0600a	628347	12-May-88	48	5.1	24	2.5	ND	200	11	ND	2.1	ND	2.1	ND	—	220	331	7.31	25.9	—	USGS	80020
(D-10-14) 0600a	628347	12-May-88	45	5.2	24	2.4	ND	200	7.4	ND	2.2	ND	2.2	ND	—	240	340	7.31	25.7	—	ADEO	ASLS
(D-10-14) 0800a	628347	26-Apr-78	23	15	40	4.4	0	227	15	8.5	0.05	<0.10	0.05	0.3	18	238	396	—	—	—	USGS	—
(D-10-14) 1700b	815721	23-Oct-82	52	6.9	6.8 <sup>b</sup>	—	0	185	6	3.3	2.48 <sup>b</sup>	—	—	0.2	35	212	328	8.3	19	—	USGS	1028
(D-10-14) 1900a	—	09-Dec-85	41	16	50	—	0	232	52	15	—	—	—	—	—	—	—	—	—	—	USGS	—
(D-10-14) 2800a	815723	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	USGS	—
(D-10-14) 3500c	615457	15-Jun-82	19	6.3	15	1.5	—	—	8.5	35	—	—	0.59	0.4	27	153	224	7.1	17	—	USGS	80020
MCL <sup>1</sup>	—	—	—	—	—	—	—	—	—	10	1	—	10	4.0	—	—	—	—	—	—	—	—
SS <sup>1</sup>	—	—	—	—	—	—	—	—	250	260	—	—	2.0	—	—	—	—	6.5-8.5	—	—	—	—

**TABLE 6. SUMMARY OF RESULTS OF LABORATORY CHEMICAL ANALYSES FOR COMMON CONSTITUENTS AND ROUTINE PARAMETERS FOR GROUNDWATER SAMPLES FROM WELLS IN THE STUDY AREA FOR WILLOW SPRINGS RANCH SOUTH VILLAGE PINAL COUNTY, ARIZONA**

Page 3 of 3

<sup>a</sup> COMMON CONSTITUENTS, in milligrams per liter  
 Ca = Calcium K = Potassium NO<sub>3</sub> = Nitrate (as N) SO<sub>2</sub> = Sulfonamide  
 Mg = Magnesium CO<sub>3</sub> = Carbonate SO<sub>4</sub> = Sulfate TDS = Total Dissolved Solids  
 Na = Sodium HCO<sub>3</sub> = Bicarbonate NO<sub>2</sub> = Nitrite (as N)

<sup>b</sup> EC (µmhos/cm) = Specific electrical conductance, in micromhos per centimeter

<sup>c</sup> TEMP (°C) = Water temperature, in degrees Celsius

<sup>d</sup> SOURCE = Source of data

ADEQ = Arizona Department of Environmental Quality

ELM = Erol L. Montgomery & Associates, Inc.

USGS = United States Geological Survey

GWIS = ADWR Groundwater Site Inventory Database

<sup>e</sup> LAB = Laboratory

ASLS = AZ State Laboratory Services, Phoenix, Arizona

Del Mar = Del Mar Analytical, Phoenix, Arizona

80120 = National Water Quality Laboratory, Denver, Colorado

1028 = United States Geological Survey

<sup>f</sup> Bicarbonate concentration calculated by multiplying acid neutralizing capacity, reported as milligrams per liter CaCO<sub>3</sub>, by a factor of 1.22

<sup>g</sup> Value reported as sodium + potassium laboratory

<sup>h</sup> Reported NO<sub>3</sub> as NO<sub>2</sub>. Conversion to NO<sub>3</sub> as N was made by dividing NO<sub>3</sub> as NO<sub>2</sub> value by a factor of 4.43

<sup>i</sup> MCL = Maximum Contaminant Level, the highest level of a constituent that is allowed in drinking water

<sup>j</sup> SS = Secondary Standard, non-enforceable guideline regulating constituents that may cause cosmetic or aesthetic effects in drinking water.

< = Less than

— = No value reported

ND = Not detected

TABLE 7. SUMMARY OF RESULTS OF LABORATORY CHEMICAL ANALYSES FOR TRACE ELEMENTS  
FOR GROUNDWATER SAMPLES FROM WELLS IN THE STUDY AREA FOR WILLOW SPRINGS RANCH SOUTH VILLAGE  
PINAL COUNTY, ARIZONA  
Page 1 of 2

STATE WELL NUMBER	ADNR REGISTRATION NUMBER	SAMPLE DATE	TRACE ELEMENTS (ug/L)														ANALYST
			Al	As	B	Br	Ca	Co	Cu	Fe	Mn	Mg	Mo	Ni	Pb	Sb	
10-07-12) 1300a	---	27-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-07-14) 0500d	844899	21-Aug-86	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 1300b	804174	28-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 2100c	804176	11-May-03	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 3500e	828509	27-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-13) 1500c	---	28-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-13) 2500b	635691	28-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-13) 2700d	595277	30-Jul-03	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-14) 2400d	---	10-Oct-66	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-14) 2800b	---	07-Aug-89	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-14) 2800b	---	28-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-14) 2800b	615541	28-Sep-78	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 0100b	---	28-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 1700e	804175	27-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 2000d	615544	25-May-80	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-12) 2000d	615544	27-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-15) 2700e	628351	27-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-14) 2000d	628349	12-Aug-88	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-15) 2800d	---	07-Aug-80	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-08-15) 3500b	---	07-Aug-80	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-12) 2800c	516847	30-May-91	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-13) 1200b	615717	15-Jun-87	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-13) 2500c	616478	16-Jun-87	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 0800c	628347	12-May-88	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 0800c	628347	12-May-88	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 0800c	628347	12-May-88	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 0800c	628347	12-May-88	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 1700b	615721	26-Apr-73	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS
10-10-14) 3600c	615457	15-Jun-87	---	---	---	---	---	---	---	---	---	---	---	---	---	---	USGS

MDL <sup>a</sup>	0.008	0.01	2	0.004	0.005	0.1	13 <sup>b</sup>	---	0.015	---	0.002	---	0.05	---	---	---	---
SS <sup>c</sup>	0.1	---	---	---	---	---	---	1	0.3	---	0.03	---	---	---	0.1	---	5

JAN-12-06 10:19

FROM E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1608

T-394 P.06/12 F-466

TABLE 7. SUMMARY OF RESULTS OF LABORATORY CHEMICAL ANALYSES FOR TRACE ELEMENTS  
FOR GROUNDWATER SAMPLES FROM WELLS IN THE STUDY AREA FOR WILLOW SPRINGS RANCH SOUTH VILLAGE  
FINAL COUNTY, ARIZONA

Page 2 of 2

TRACE ELEMENTS, in milligrams per liter			
Ag = Silver	As = Arsenic	B = Boron	Be = Beryllium
Cd = Cadmium	Co = Cobalt	Cu = Copper	Cr = Chromium
Fe = Iron	Pb = Lead	Mn = Manganese	Ni = Nickel
Hg = Mercury	Mo = Molybdenum	Sb = Selenium	Si = Strontium
Sn = Tin	Th = Thorium	U = Uranium	V = Vanadium
Zn = Zinc			

<sup>a</sup> SOURCE = Source of data

ADEO = Arizona Department of Environmental Quality

EJMI = Ernst L. Montgomery & Associates

USGS = United States Geological Survey

<sup>c</sup> LAB = Laboratory

ASLS = AZ State Laboratory Services, Phoenix, Arizona

Del Mar = Del Mar Analytical, Phoenix, Arizona

B0020 = National Water Quality Laboratory, Denver, Colorado

1028 = United States Geological Survey

<sup>d</sup> MCL = Maximum Contaminant Level, the highest level of a constituent that is allowed in drinking water.

<sup>e</sup> SS = Secondary Standard, non-enforceable guideline regulating constituents that may cause cosmetic or aesthetic effects in drinking water.

<sup>f</sup> Lead and copper are regulated by a Treatment Technique that requires systems to control the corrosiveness of their water. If more than 10 percent of tap water samples exceed the action level, water systems must take additional steps. For copper, the action level is 1.5 mg/L, and for lead is 0.015 mg/L.

< = Less than  
— = No value reported  
ND = Not detected

JAN-12-06 10:19

FROM-E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1600

T-384 P.07/12 F-458



Del Mar Analytical

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## LABORATORY REPORT

Prepared For: Errol L. Montgomery & Assoc. - Tucson  
1550 E. Prince  
Tucson, AZ 85719  
Attention: Mark Cross

Project: 1114.09

Sampled: 07/30/03  
Received: 07/31/03  
Issued: 08/19/03

AZ DHS #AZ0426

*The results listed within this Laboratory Report pertain only to the samples tested in the laboratory. All soil samples are reported on a wet weight basis unless otherwise noted in the report. This Laboratory Report is confidential and is intended for the sole use of Del Mar Analytical and its client. This report shall not be reproduced, except in full, without written permission from Del Mar Analytical. This entire report was reviewed and approved for release.*

## CASE NARRATIVE

**SAMPLE RECEIPT:** Samples were received intact, at 5°C, on ice and with chain of custody documentation.

**HOLDING TIMES:** Not all holding times were met. Results were qualified where the sample analysis did not occur within method specified holding time requirements.

The N1 flag on pH indicates that the holding time for this test is immediate. The laboratory measurement, therefore, cannot be used for compliance purposes.

**PRESERVATION:** Samples requiring preservation were verified prior to sample analysis.

**QA/QC CRITERIA:** All analyses met method criteria, except as noted in the report with data qualifiers.

**COMMENTS:** No significant observations were made.

**SUBCONTRACTED:** Refer to the last page for specific subcontract laboratory information included in this report.

**ADDITIONAL INFORMATION:** The N1 flag on Chloride for P3H0104-MS1 indicates that the concentration exceeds the calibration range and therefore result is semi-quantitative.

LABORATORY ID  
PMG0772-01

CLIENT ID  
003494

MATRIX  
Water

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(SEP 2 2003)

MONTGOMERY &amp; ASSOCIATES

Del Mar Analytical - Phoenix  
Cassie LeMere-Zeller  
Project Manager

PMG0772 &lt;Page 1 of 15&gt;

JAN-12-08 10:19

FROM-E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1608

T-394 P.08/12 F-466



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Errol L. Montgomery & Assoc. - Tucson  
 1550 E. Prince  
 Tucson, AZ 85719  
 Attention: Mark Cross

Project ID: 1114.09

Report Number: PMG0772

Test Well #1

Sampled: 07/30/03  
 Received: 07/31/03

## DISSOLVED METALS

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: mg/l								
Antimony, Dissolved	EPA 200.9	P3H0602	0.0040	ND	1	8/6/2003	8/7/2003	
Arsenic, Dissolved	EPA 200.9	P3H0602	0.0030	ND	1	8/6/2003	8/7/2003	
Barium, Dissolved	EPA 200.7	P3H1112	0.010	0.018	1	8/11/2003	8/12/2003	
Beryllium, Dissolved	EPA 200.7	P3H1112	0.0040	ND	1	8/11/2003	8/12/2003	
Boron, Dissolved	EPA 200.7	P3H1112	0.50	ND	1	8/11/2003	8/12/2003	
Cadmium, Dissolved	EPA 200.7	P3H1112	0.0050	ND	1	8/11/2003	8/12/2003	
Calcium, Dissolved	EPA 200.7	P3H1112	2.0	66	1	8/11/2003	8/12/2003	
Chromium, Dissolved	EPA 200.7	P3H1112	0.010	ND	1	8/11/2003	8/12/2003	
Copper, Dissolved	EPA 200.7	P3H1112	0.020	ND	1	8/11/2003	8/12/2003	
Iron, Dissolved	EPA 200.7	P3H1112	0.20	ND	1	8/11/2003	8/12/2003	
Lead, Dissolved	EPA 200.9	P3H0602	0.0020	ND	1	8/6/2003	8/7/2003	
Magnesium, Dissolved	EPA 200.7	P3H1112	0.50	15	1	8/11/2003	8/12/2003	
Mercury, Dissolved	EPA 245.1	P3G3119	0.00020	ND	1	7/31/2003	7/31/2003	
Selenium, Dissolved	EPA 200.9	P3H0602	0.0040	ND	1	8/6/2003	8/11/2003	
Silica, Dissolved	EPA 200.7	P3H1112	2.5	40	1	8/11/2003	8/12/2003	
Thallium, Dissolved	EPA 200.9	P3H0602	0.0020	ND	1	8/6/2003	8/7/2003	
Zinc, Dissolved	EPA 200.7	P3H1112	0.050	ND	1	8/11/2003	8/12/2003	

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 SEP 2 2003

MONTGOMERY &amp; ASSOC., INC.

Del Mar Analytical - Phoenix  
 Cassie LeMere-Zeller  
 Project Manager

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Errol L. Montgomery & Assoc. - Tucson  
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 Tucson, AZ 85719  
 Attention: Mark Cross

Project ID: 1114.09

Report Number: PMG0772

Test Well  
 #1

Sampled: 07/30/03  
 Received: 07/31/03

## INORGANICS

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: mg/l								
Bicarbonate Alkalinity as CaCO <sub>3</sub>	SM2320B	P3H0829	5.0	170	1	8/8/2003	8/8/2003	
Carbonate Alkalinity as CaCO <sub>3</sub>	SM2320B	P3H0829	5.0	ND	1	8/8/2003	8/8/2003	
Chloride	EPA 300.0	P3H0104	5.0	47	10	8/1/2003	8/1/2003	
Fluoride	EPA 300.0	P3H0104	0.10	0.59	1	8/1/2003	8/1/2003	
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: pH Units								
pH	EPA 150.1	P3H0406	NA	7.65	1	8/1/2003	8/1/2003	N1
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: umhos/cm								
Specific Conductance	SM2510B	P3H0825	1.0	660	1	8/8/2003	8/8/2003	
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: mg/l								
Sulfate	EPA 300.0	P3H0104	5.0	69	10	8/1/2003	8/1/2003	
Total Dissolved Solids	SM2540C	P3H0504	20	460	1	8/4/2003	8/4/2003	

Del Mar Analytical - Phoenix  
 Cassie LeMere-Zeller  
 Project Manager

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1-520-881-1609

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 Attention: Mark Cross

Project ID: 1114.09

Test Well #1

Report Number: PMG0772

Sampled: 07/30/03  
 Received: 07/31/03

## LANGLIER SATURATION INDEX

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: PMG0772-01 (003494 - Water) Reporting Units: SI Units Langlier Index	SM2330B	P3H1208	NA	0.42	1	8/12/2003	8/12/2003	

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 Project Manager

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T-394 P.11/12 F-468



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 Tucson, AZ 85719  
 Attention: Mark Cross

Project ID: 1114.09

Test Well #1

Report Number: PMG0772

Sampled: 07/30/03  
 Received: 07/31/03

## DISSOLVED METALS

Analyte	Method	Batch	Reporting Limit	Sample Result	Dilution Factor	Date Extracted	Date Analyzed	Data Qualifiers
Sample ID: PMG0772-01 (003494 - Water)								
Reporting Units: mg/l								
Potassium	EPA 200.7-Diss	3H14058	0.50	4.5	1	8/14/2003	8/14/2003	
Sodium	EPA 200.7-Diss	3H14058	0.50	41	1	8/14/2003	8/14/2003	

Del Mar Analytical - Phoenix  
 Cassie LeMere-Zeller  
 Project Manager

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FROM E.L. MONTGOMERY &amp; ASSOCIATES

1-520-881-1609

T-394 P.12/12 F-466

**TRANSWEST  
GEOCHEM**

Date Printed 26-Aug-03

License No. AZM133/AZ0133

CLIENT: Del Mar Analytical  
Work Order: 0308004  
Lab ID: 0308004-01  
Project Name: PMG0772-DMAP  
Project Number:

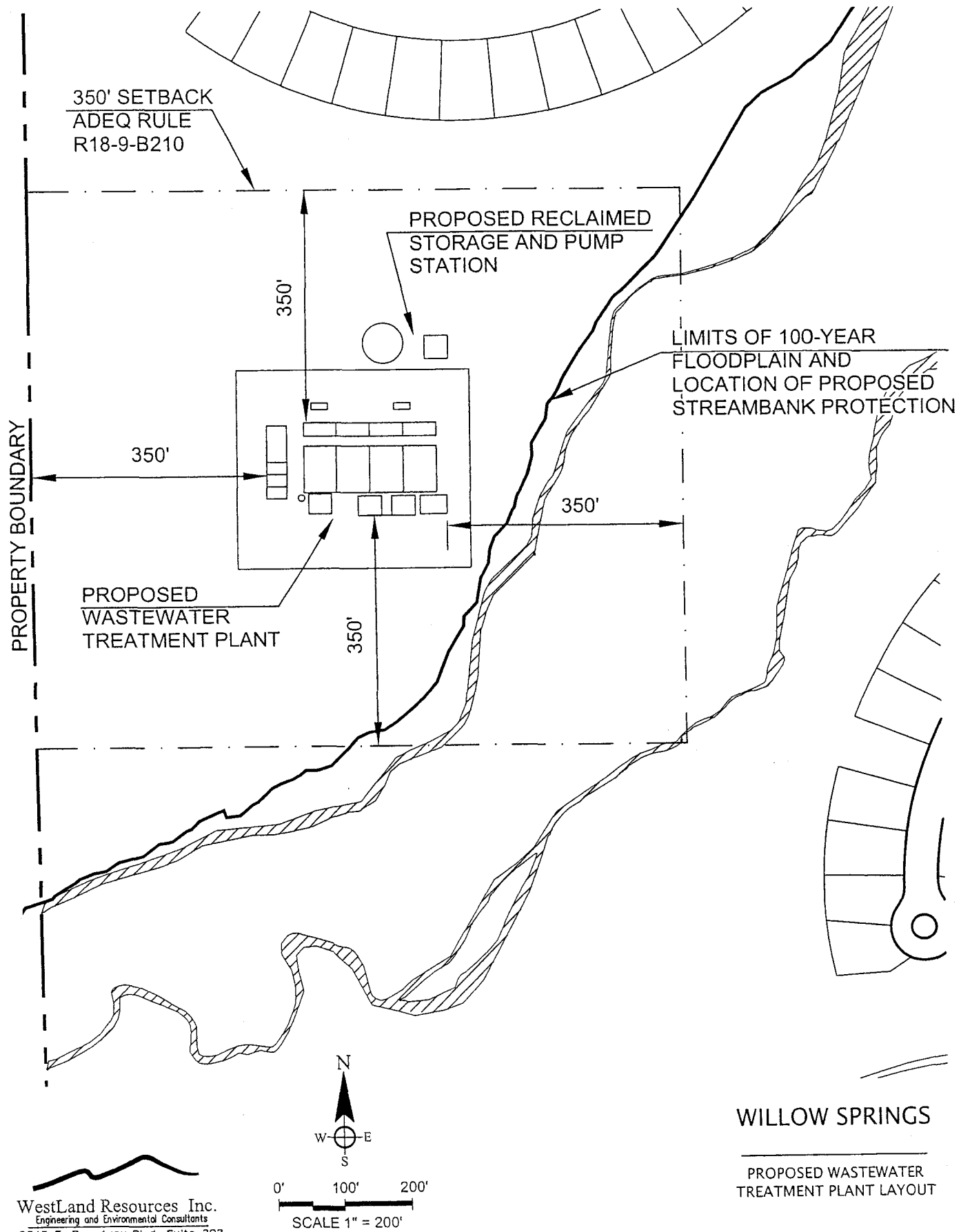
Client Sample ID: PMG0772-01

Collection Date: 7/30/2003 12:15:00 PM

Matrix: WATER

*Test Well #1*

Analyte	Result	PQL	Qual	Units	DF	Test Code	Date Prepared	Date Analyzed	Analyst	Batch ID
Nitrate-Nitrite (As N)	5.1	0.50		mg/L	10	EPA383.2	N/A	8/18/03	TL	NO3_W-8/18/2003



M:\PROJECTS\927.01\Nov05\willow springs\_wstp-fig-1-12-06.dwg

WestLand Resources Inc.  
Engineering and Environmental Consultants  
2343 E. Broadway Blvd. Suite 202  
Tucson, Az 85719 (520) 206-9585

Item II.1

DOCKET NO. W-0 \_\_\_\_\_

Cancelling Sheet No.

---

Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

**I. CROSS-CONNECTION CONTROL**

**A. Purpose.**

The purpose of this tariff is to protect Willow Springs Utilities, L.L.C. ("Company") water supply in the Company's water system from the possibility of contamination of contaminants that may be present on the customer's premises by requiring the installation and periodic testing of backflow-prevention assemblies pursuant to the provisions of the Arizona Administrative Code ("A.A.C.") R14-2-405.B.6 and A.A.C. R18-4-115.

**B. Requirements.**

In compliance with the Rules and Regulations of the Arizona Corporation Commission ("Commission") and the Arizona Department of Environmental Quality ("ADEQ"), specifically A.A.C. R14-2-405.B.6 and A.A.C. R18-4-115 relating to backflow prevention:

1. The Company may require a customer to pay for and have installed a backflow-prevention assembly if A.A.C. R18-4-115.B or C applies.
2. A backflow-prevention assembly required to be installed by the customer under Paragraph 1 of this tariff shall comply with the requirements set forth in A.A.C. R18-4-115.D and E.
3. Subject to the provisions of A.A.C.R14-407 and 410, and in accordance with Paragraphs 1 and 7 of this tariff, the Company may terminate

---

Issued \_\_\_\_\_

Effective \_\_\_\_\_

ISSUED BY:

Kevin Tarbox, General Manager  
Willow Springs Utilities, L.L.C.  
1600 East Hanley Blvd., Suite 128  
Oro Valley, Arizona 85737

96005.00000.10

DOCKET NO. W-0 \_\_\_\_\_

Cancelling Sheet No.

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Applies to all **WATER** service areas

**PART ONE**

**STATEMENT OF CHARGES**  
**WATER SERVICE**

service or may deny service to a customer who fails to install a backflow-prevention assembly as required by this tariff.

4. The Company shall give any customer who is required to install and/or test a backflow-prevention assembly written notice of said requirement. If A.A.C. R14-2-410.B.1.a. is **not** applicable, the customer shall be given thirty (30) days in which to comply with this notice. If the customer can show good cause as to why he cannot install the device within thirty (30) days, the Company or the Arizona Corporation Commission Staff may suspend this requirement for a reasonable period of time.

5. Testing shall be in conformance with the requirements of A.A.C. R18-4-115.F. The Company may require the customer to pay to have the backflow-prevention assembly tested as long as the Company does not require an unreasonable number of tests.

6. The customer shall provide the Company with records of installation and testing. For each backflow-prevention assembly, these records shall include:

- a. assembly identification number and description;
- b. location;
- c. date(s) of test(s);
- d. description of repairs and recommendations for repairs made by tester;

and

- e. tester's name and certificate number.

---

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ISSUED BY:

Kevin Tarbox, General Manager  
Willow Springs Utilities, L.L.C.  
1600 East Hanley Blvd., Suite 128  
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Cancelling Sheet No.

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Applies to all WATER service areas

**PART ONE**

**STATEMENT OF CHARGES**

**WATER SERVICE**

7. In the event the backflow-prevention assembly does not function properly or fails any test and A.A.C. R14-2-410.B.1.a. exists, the Company may terminate service immediately and without notice. The backflow-prevention assembly shall be repaired or replaced by the customer and retested.

8. In the event the backflow-prevention assembly does not function properly or fails any test and A.A.C. R14-2-410.B.1.a. is **not** applicable, the backflow-prevention assembly shall be repaired or replaced within fourteen (14) days of the initial discovery of the deficiency in the assembly or its function. Failure to remedy the deficiency or dysfunction of the assembly, or failure to retest, shall be grounds for termination of water utility service in accordance with A.A.C. R14-2-410.

---

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ISSUED BY:

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